

Ambassador in talks today on TUC delegation to Poland

The controversial TUC visit to Poland will go ahead, Mr David Basnett, leader of the delegation, made clear last night despite reports that the authorities in Warsaw had cancelled it. The firmness of the TUC over the visit has prompted the Polish Ambassador in London to talk over the matter with union chiefs today.

Trip goes ahead, union chief says

From Paul Routledge
Labour Editor
Brighton

The determination of TUC leaders to go ahead with their controversial visit to Poland yesterday took the Polish Government aback and prompted a dramatic political intervention late last night.

The Polish Ambassador in London, Mr Jan Wisniewski, is travelling to Brighton today to talk over the situation with TUC leaders.

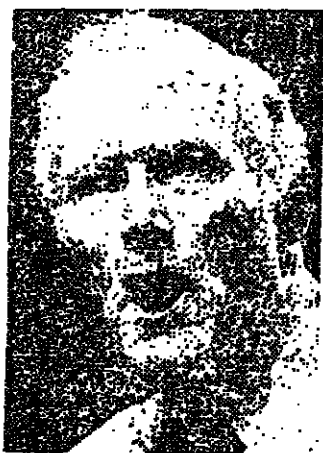
He is expected to tell Mr David Basnett chairman of the TUC Economic Committee and leader of the delegation and other senior figures on the TUC General Council, that a visit to Poland next week would be unwise, but that a final decision will be left to the union delegation itself.

This argument was reportedly put to the Foreign Office by Polish embassy officials several days ago, but when it was communicated to the TUC by Whitehall, the unions refused to entertain any postponement of the trip.

Mr Basnett said last night: "As far as I am concerned we have tickets to go to Poland next Monday and Congress has decided we should go."

The delegation is booked on a British Airways flight for the projected five-day visit to Sopot on the Baltic coast and the Polish capital. Originally, the visit was intended to improve trade relations between Britain and Poland, but since the wave of unofficial strikes in the shipbuilding, docks and mining industries this purpose has been broadened to include talks on the setting up of independent trade unions.

There was confusion among TUC officials in Brighton, who first heard of the likely post-



Mr Basnett: "We have tickets to go."

ponement of the trip from the BBC. Mr Frank Chapple, the electricians' leader, who has opposed the visit as showing support for the Communist regime, said: "The Polish Government is treating the general council with the contempt they feel they deserve."

"This slap in the face makes clear that there was never any intention on the part of the Polish authorities of allowing meetings with genuine representatives of the workers. The TUC have been treated as dupes and should cancel this shameful trip."

A subsidiary dispute about the visit broke out yesterday when journalists visiting Sopot were told by Polish Embassy officials in London that the TUC had asked that the visa process should be facilitated for only two journalists, Mr Geoffrey Goodman, industrial editor of the Daily Mirror, and Mr Chris-

tian Tyler, labour editor of the Financial Times.

Mr Brendan Barber, the TUC's head of information, denied the existence of any "preferred list" of journalists. It seemed likely last night that the Polish authorities would officially confirm the cancellation, and offer a substitute, one-day trip to Warsaw, probably on September 24.

Unless the strike leaders were brought to the capital, this alternative would not meet the TUC's stated desire to meet leaders of the strikes who want independent trade unions.

Mr Kate Losińska, president of the Civil and Public Services Association, whose union withdrew a motion to Congress calling on the general council not to go to Poland, last night claimed that the Polish Government was simply "buying time."

Mr Wisniewski Scholz, head of the Polish unions' foreign department, said the TUC had been asked to postpone the visit until mid-September. "With so many problems on our hands, we have no time for foreign delegations," he said.

Telephones cut off: The Post Office in London said last night that no telephone calls had got through to Poland from Britain all day (a Staff Reporter writes).

There did not appear to be anything technically wrong. "It appears that people at the other end are not operating the system," a spokesman said. Some calls from Poland were received.

Warsaw report, page 6

BL replaces all Mini Metro drive shafts

By Clifford Webb
Midlands Industrial
Correspondent

BL is to replace the drive shafts on all its completed Mini Metros after the discovery of faults in some of the shafts of the new model which is to be launched on October 8, said: "This problem was spotted very quickly by our engineers working jointly with BL engineers on test rigs."

"It only applied to one or two cars but because of the importance of drive shafts we agreed to withdraw all the drive shafts up to that time and replace them with a carefully checked new batch." These numbered several hundred.

The company has warned its component suppliers that it will not tolerate any falling off in the very high standards it has set for the Metro.

The discovery of a fault would have led to serious problems with the Metro reaches the public is a vindication of the stringent new quality checks introduced at Longbridge to avoid similar problems which have plagued the early life of some new BL models.

The most notable example was the Austin Princess which was launched five years ago, but it is only in the past two years that it has overcome its early reputation as an unreliable car.

BL's insistence that component companies should meet higher quality specifications than they have worked in the past has brought protests from some suppliers. But BL stands firm. Almost all recalls for rectification work on cars have been caused by component failures.

Production presses after rapid changes in BL orders schedules have been blamed by suppliers in the past for quality problems. With redundancies and extensive short-time working not operating, most companies claim this excuse is no longer acceptable.

Metro's success is of crucial importance to BL's survival. Despite pressure from its dealers to put the car in their showrooms time for the big spring selling season, it was delayed for six months for the most intensive test programme ever undertaken by BL or its predecessors.

A further move was the construction at Longbridge of a £4.5m customer validation building, at the end of the Metro assembly line. In the past cars have gone straight from the line to dispatch. Now they receive a thorough check on two additional assembly tracks.

Mr Mark Snowdon, director of product planning for Austin Morris, said recently: "We cannot afford to launch a car which is not absolutely right from the start. BL's position is just too sensitive for any slip-up."

Last night a BL spokesman said: "The quality standards we are applying on Metro are, we believe, the toughest it is possible to devise. Every component is checked, double checked, and rechecked."

"When customers take delivery next month they can be confident that this car has been subjected to the most rigorous and comprehensive programme of testing ever undertaken."

Business Diary, page 17



Shire horses harvesting corn on a farm at Holme upon Spalding Moor, Humberside, yesterday.

£1,500m investment from abroad behind pressure on sterling

By David Blake
Economics Editor

More than £1,000m of "hot" foreign money flooded into sterling accounts in Britain's banks in the second quarter of the year and another £500m was invested in gilts, providing severe upward pressure on the pound. At the same time British companies flexed their muscles overseas, spending £1,100m on direct investment abroad, about half of it in the United States.

Figures from the Central Statistical Office show the movement of funds across the foreign exchanges which lay behind the rise in sterling earlier this year. The figures provide further proof of the improvement in our current account.

The total deficit in the second quarter is now estimated to have been only £76m, largely due to a substantial upward revision in the estimated surplus on invisibles. This is now put at £230m, £30m more than previously thought.

For the first half of the year the total surplus on invisibles is thought to have been £700m. This largely counteracted a deficit on trade.

The figures also show the sharp turnaround in Britain's performance from 1979 but differ greatly from forecasts made at the time of the Budget. It was then thought there would be a deficit of £1,500m in the first half of the year compared to the £230m deficit which actually occurred.

A deficit of £1,250m was forecast for the second half of the year but that also seems much too pessimistic.

The latest statistics do not change the picture of our visible trade which emerged from the regular monthly figures, but they confirm that exports have held up well in spite of the strong pound, and that imports have fallen because of the recession.

The picture on the invisibles is more substantially revised by the new data. The second quarter's figures were depressed by the special problem of repayments to the United States parents of companies operating in Britain. But it is clear that private sector and public corporations operating on the invisibles account performed particularly well, earning a surplus of £1,330m.

Perhaps the most surprising figures, however, are those which chart the pattern of capital flows into and out of the United Kingdom as foreign money chased the high interest rate available in London.

Just over £1,000m of private overseas sterling deposits flowed into United Kingdom banks, roughly four times the amount in the first quarter of the year. There was also £500m invested in gilts.

All of this is fairly short-term money, liable to move quickly if interest rates in London come down compared with the rest of the world. The £500m of lending by banks to overseas customers could also return fairly easily.

But the £1,000m outflow by companies investing abroad, mostly in the United States, is a long term outflow. The net effect of all the capital flows was to produce a surplus of £540m of the capital account alone in the second quarter.

This surplus was more than enough to finance the deficit on the current account and it led to £242m being absorbed by the foreign exchange market in the repayment of debt.

Rail fares to rise by another 20pc

By Michael Bailey

British Rail fares will rise by about 20 per cent at the end of November. They last went up by 20 per cent in January.

The decision was taken reluctantly at a meeting of the British Railways Board yesterday and it will be formally announced on September 17 after consultations with Mr Norman Fowler, the Minister of Transport, and the rail unions, which are both strongly opposed to the rise.

British Rail's financial situation has continued to deteriorate, with a possible loss of £30m this year unless substantial remedial measures are taken. The Government has refused to help by loosening its tight cash limits on BR, and the unions have not so far agreed to speed up implementation of the productivity deals that accompanied their 20 per cent wage rise in the spring.

Among the measures to reduce its losses BR is considering the scrapping of last year's level of property sales to about £30m.

Consett steelmen end battle to save works

By Ronald Kershaw
Northern Industrial
Correspondent

Consett steelworkers have given up their fight to keep the works open. A meeting yesterday attended by most of the 3,700 labour force at the British Steel Corporation's plant agreed to open talks with management on severance pay.

The first redundancies will take effect from 8 am on Sunday and be completed by September 13.

The steelmen took only 20 minutes to make up their minds to halt the "save Consett" campaign, and put the seal on what appears to be the end of

almost 100 years of steelmaking at the works in county Durham. Typically, workers representatives were lobbying delegates to the annual Trades Union Congress at Brighton yesterday to gather support for the campaign.

The resolution passed at the meeting said: "We the Consett steelworkers, bitterly resent the wrong and unjustifiable closure of our works. We recognise, however, we have exhausted all orthodox means of opposing the closure decision. We now wish to open negotiations with the corporation."

Mr Aiden Pollard, chairman of the steelworkers' side of the

campaign committee, said: "Many groups of workers are asked to cooperate, improve productivity and fight for survival of the works. We can cooperate, trim the labour force, increase productivity and become profitable but none of it will have any bearing on your future."

Mr John Lee, secretary of the campaign, said the workforce had cooperated and behaved in a responsible manner. The works had become profitable and the BSC and the Government had turned their backs on the workers.

The closure of the works will push up unemployment among men in Consett and the small

neighbouring township of Stanley from the present 16.2 per cent to more than 40 per cent.

A British Steel spokesman last night said: "We are pleased with the outcome of today's meeting and we hope to start immediate discussions on the closure programme and severance pay."

The names of the members of the Northern Industrial Group, which is planning to form a consortium to take over the Consett works, were conveyed in the Department of Industry yesterday by letter. A spokesman declined to reveal their identities.

ITN threat to dismiss journalists

More than 100 journalists at Independent Television News, including the newsmakers Anna Ford and Trevor Macleod, have been told they will be dismissed in 13 days if they continue to refuse to work with the new electronic news gathering equipment.

If this happens it is likely that ITN would go off the air from September 22. Agreement on a pay and conditions for using the equipment was agreed in July between ITN and its engineers, but similar talks with the National Union of Journalists broke down two weeks ago.

A spokesman for the NUJ (appel office branch) said the management had breached a "only 18 days' notice rather than 23 days."

"But far more important, management are locking us out without testing their case by allowing the dispute to go to arbitration as is allowed for in the national agreement."

Mr David Nicholas, editor of ITN, denied that the management had broken the agreement.

"The 28-day provision in the agreement states that the management must give 28 days' notice of a lock-out and the union must give 28 days' notice of a strike. But there is no question of a lock-out here."

"We have advised the NUJ tonight that with effect from September 22 they must operate the new equipment. If they were not to agree to use it we would then reckon that the union's members had refused a legitimate instruction

from the management." This would mean that the journalists were liable to be dismissed. "It is very complicated, but obviously, from the date of operating the new equipment, the journalists would be getting extra money."

The agreement specified that both sides had to agree to go to arbitration. Arbitrators tended to split the difference of "and" we cannot afford it. Besides this, ENG is a new thing and no arbitrator has had experience of it."

The three technical unions had reached agreement with the management on operating the new equipment. "Because we are not operating the new equipment we are facing increasing difficulty in operating overseas when foreign organizations have it."

Old Vic 'Macbeth' proves a box office draw despite the critics' derision

By Martin Huckerby
Theatre Reporter

The Old Vic theatre company was yesterday trying to salvage something from the critical wreck of its opening production, Peter O'Toole's *Macbeth*. The reviews in yesterday's newspapers were universally damning about both the production and Mr O'Toole's acting.

On Tuesday night the reconstructed Old Vic company launched its first season with the O'Toole *Macbeth* as its flagship. Before the opening there were signs of an impending disaster, and the company's new artistic director, Timothy West, did his best to secure changes, but to no avail.

Mr O'Toole selected the director, Bryan Forbes, whose previous experience has been confined to the cinema, and also selected most of the cast. He was determined to play the role in his own way.

The result was, as Michael Billington put it in *The Guardian*, a flying leap back in time to the days of the old actor-managers—a leap of about a century, he suggested. Trevor Macleod, the company's new artistic director, Timothy West, did his best to secure changes, but to no avail.

Most critics were dismayed to find a tragedy rising laughter in a variety of inappropriate moments. Jack Tinker in the *Daily Mail* found himself afflicted with involuntary giggles throughout.

Mr O'Toole's performance was described as "heroically ludicrous" as "sublimely hysterical" and "hollow" at its most hilarious self-parody.

The only semblance to a favourable point was made by John Barber, in the *Daily Telegraph*, who after savaging the production and the performances, noted that this *Macbeth* would give the



Peter O'Toole: Not yet happy with his performance.

audience "a knock-on display of fireworks from a famous star."

The public appear to share that view. There were cheers from the audience on Tuesday night, and all day yesterday queues stretched from the box office into the street.

"For the Old Vic it was a day of desperate embarrassment as its attempt to provide a bright new image for the company foundered in the sea of criticism of its *Macbeth*. Mr West made a series of statements early in the day about his lack of control.

Simonstown win endorses Botha policies

The National Party victory in Simonstown is seen in South Africa as an endorsement of the reform policies of Mr Pieter Botha, the Prime Minister. The seat was held by a majority of 1,182 in an 82 per cent poll. It was expected to be taken by the Progressive Federal Party, the projected population speculation that the Prime Minister may call an early general election while conditions are favourable.

Duke attacks drug ban
The Duke of Edinburgh attacked proposals by the International Equestrian Federation to ban the use of pain-killing drugs in show jumping horses. He said that provided they were administered under strict conditions the use of such drugs should be permitted. The Duke also defended the treatment with stimulants of exhausted horses in three-day events.

Nuclear waste by-law
Ipswich Town Council is preparing a by-law to prevent the transportation of nuclear waste from Sizewell power station through the town centre by British Rail on the way to Windscale, Cumbria for reprocessing. The move is strongly opposed by the Central Electricity Board, which is worried about similar actions being taken by other local authorities if the by-law is passed.

End of a housing dream
There are 657 empty homes in Craigavon, a costly development of public housing about 20 miles from Belfast, where a local authority dream has crumbled. Because of the "troubles" the projected population was not realized; Roman Catholics were uneasy about living in an area traditionally regarded as a Protestant stronghold and the firms did not come.

'Jewish vote' denial
A claim by an academic that there has been an "orchestrated" move by Jewish voters from Labour to Conservative in recent years is denied in a report. It says wealth and social position are stronger factors in Jewish voting patterns than ethnic or religious influences.

TUC council defeated in dissidents vote

The TUC defeated its general council by a narrow margin in a vote to endorse the Charter 77 dissident detained in Czechoslovakia. Although defeats for the general council, while relatively rare, are not unknown, the decision is bound to throw fresh doubts in some quarters on the policy of TUC leadership towards Eastern Europe (Donat MacIntyre writes).

Euro-MP loses job
Mino Simane Veil, President of the European Parliament, is inquiring into the dismissal of an Italian woman professor from the controversial Paris VIII University, apparently because she is a member of the European Parliament. Professor Maria Antonietta Macchiocci, a political scientist, ascribes her dismissal to political reasons. The decision to dismiss her was taken without reference to the university which she joined in 1972.

Call for oil talks
Asian and Pacific Commonwealth governments are likely to seek a meeting with oil producing countries in the hope of agreeing a fairer, and perhaps cheaper, system of oil distribution to developing countries. The suggestion was made by Mrs Gandhi, the Indian Prime Minister, at the opening of the Commonwealth heads of government regional conference in Delhi and debated in closed session.

Student changes
There has been a steady increase in the percentage of university students from professional backgrounds in the past five years and a decline in those from manual worker or working-class homes. Between 1975 and 1979, students whose parents were mainly in professional and managerial jobs rose from 51 per cent of those accepted to 54 per cent.

Construction in the Arab World: An eight-page Special Report on the main development areas and opportunities for British involvement.
Classified advertisements: Personal, pages 23, 24; Appointments, 10; Car buyers' guide, 22.

Aborigines threaten to disrupt mining projects

Australia's Aborigines are threatening to disrupt most mining projects in the country because of the West Australian Government's decision to go ahead with drilling for oil at Noonkanbah. Aborigines claim the drilling site in the north-west is on sacred land. The Roman Catholic Church has pledged support for Aboriginal struggles against mineral exploitation of their land.

Leader page, 13
Letters: On Poland and communism, from Mr David Holbrook, and others; the election system, from David Harbord; Welsh television, from Sir Cenydd Trefarwa and others.

Leading articles: TUC and disarmament; Simonstown by-election; South Korea; Gibraltar; Lord Brock.
Arts, page 11
David Robinson reviews *Chapter Two* and other new films in London; Irving Wardle on *Macbeth* at the Old Vic; John Percival on Scottish Ballet's *Cher and the Chameleon* on television; the Edinburgh Festival; William Maude on the Scottish National Orchestra at the Proms.

Features, pages 7-12
Geoffrey Smith on what Britain can learn from the presidential campaign; Michael Binyon's Moscow Diary; Gabriel Romy on the Hungarians' obsession with ancestry; Trevor Fishlock on the Islamization of Pakistan.

Sport, pages 8, 9
Cricket: Procter and Davidson registered as English players; Surrey and Leicestershire in two days; Football: Eight first division clubs paired together in League Cup; Racing: Eddery teams, up with O'Brien.

Business News, pages 15-21
Stock Markets: Gilts drifted amid hopes of a cut in MLR while equities encountered profit-taking following rising profits from BP. The FT index rose 1.0 to 490.8.
Financial Editor: BP struggles behind the scenes; Cadbury-Schweppes must depend on Christmas.
Business features: Ian Murray, in Paris, on how union disarray strengthens M. Barre's hand; Patricia Tisdall on the uncertain future of the industrial training trusts; Kenneth Owen on increased automation in aircraft.

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HOME NEWS

More university students come from professional homes and fewer have manual worker parents

A steady increase in the percentage of university students from professional backgrounds, coupled with a decline in the percentage from manual worker or working-class homes, has occurred in the past five years, according to a report published yesterday.

The report, the latest from the Universities Council on Admissions (UCA), shows that between 1975 and 1979, students whose parents were mainly in professional and managerial jobs rose from 51 per cent of those accepted to 54 per cent.

At the same time students whose parents were in manual jobs, such as (textile workers, miners and fishermen), dropped from 25 per cent to 22 per cent.

Broken down strictly by social class, the same trend was evident, with nearly 22 per cent of students in 1979 from professional backgrounds (nearly 21 per cent in 1977), more than 42 per cent from semi-professional (41 per cent), and 6 per cent from semi-skilled and unskilled backgrounds (6.4 per cent).

This classification of university candidates on the basis of social class is the first the council has undertaken, and it says that the figures must be treated with caution.

The response of some candidates to questions about parental occupation was sometimes difficult to interpret, the report says. "Indeed, it is believed that some candidates regard the question and are deliberately obscure in their answers."

For that reason there was some opposition to publication. The figures, albeit uncertain, are likely to give more information than their share of the adult population, and that the same candidates are more successful in their applications, the report says.

The breakdown shows that the professional and managerial class produce a larger share of students than their share of the adult population, and that the same candidates are more successful in their applications, the report says.

The 1974 population census of economically active men aged between 40 and 54 showed that 18 per cent were in professional and managerial occupations and 62 per cent in largely manual jobs.

The report confirms a trend highlighted two years ago by Mr Gordon Oakes, then Minister of State for Education and Science, when he said that the percentage of children from

manual backgrounds entering university had tended to decline in the past few years.

It also notes that universities accepted 7 per cent fewer overseas students last year than the year before, despite a rise in applications.

Acceptances by universities, in line with government policies to reduce the overseas student intake, fell from 6,191 in 1978 to 5,767 last year. At the same time applications rose from 22,918 to 24,134.

Competition for entry last year was stiffer generally than the year before, with some 3,000 extra "real" candidates (those minimally qualified), matched by only 2,000 extra places.

Among home students, women candidates suffered more than men. Of the "real" candidates, the proportion dropped by about 3 per cent and for men by about 1 per cent.

In total, of an estimated 86,000 to 99,000 "real" candidates, about 77,000 were taken, the report says. That compares with 74,000 the year before. That year acceptances were in line with the increase in applications.

UCA Statistical Supplement to the 27th Report 1978-79 (PO Box 28, Cheltenham, Gloucestershire, GL50 1BY, £2.)

657 houses go begging as a dream crumbles

From Christopher Thomas Lurgan

Craigavon can hardly be called a "place". It is a conglomeration of nearly 4,000 modern houses in several estates, occupying five miles of space between two pleasant Ulster towns, a mass of living units with no heart.

It is consequently difficult to pinpoint exactly where Craigavon is. The sign on the motorway next to Belfast says: "Craigavon next two exits".

Much of it is boring and hopeless, and the reaction of hundreds of families who have lived there is demonstrated by the relentless rows of empty houses. 17 per cent of the total. Not one is more than 15 years old.

Strictly speaking, the two old boroughs of Portadown and Lurgan are embraced by the new Craigavon district council area, in which there are 11,000 houses; in reality both refuse to accept that their identity has been subsumed.

In the sixties Craigavon was a wonderful dream, a huge development of costly public housing on green fields about 20 miles from Belfast. It would do much to solve the housing crisis, tempt hosts of new firms and create a pleasant environment. That dream has long been abandoned.

Today, estates like Rathmore and Legabury ache with despair. They are so impersonal that even the streets have numbers instead of names. People who still live there say a community never grew. Many of those who left have returned to their old locations, where the housing may be poor but the community is rich.

Officials may point to the sports centre, shopping centre, yachting lakes, golf course and football pitches. None of it succeeds in making Craigavon anything but an impersonal jungle.

Mr Michael Phillips and his wife live in one of the numbered streets on the Rathmore estate, a street of dozens of boarded up houses looking quite smart, certainly better than anything in working-class areas of Belfast. They are one of the last couples in the road to find



Rathmore estate, Craigavon, where streets have numbers instead of names.

When the housing executive, the public housing authority, in Northern Ireland, took possession of the first 2,100 houses in December, 1972, the province was already in sharp decline because of the troubles, and the projected population was not realized.

The firms did not come, and many Roman Catholics were uneasy about living in an area traditionally regarded as a Protestant stronghold. The dream was already crumbling.

There are now 657 empty houses that nobody wants, despite a chronic housing shortage in the province. Even the homeless in Lurgan and Portadown do not want them.

Craigavon was launched by

the O'Neill Government and had a projected population of 100,000 by 1981. Lurgan is split almost equally between Protestants and Roman Catholics; Portadown is solidly Protestant. The scheme brought cries of dissent from largely Roman Catholic areas in the west of the province such as Londonderry, which were and still are crying out for investment.

Such was the outcry that only last year Irish American groups forced the abandonment of a twinning scheme between Craigavon and Santa Rosa, California.

Perhaps, however, the people of Londonderry are no longer entirely disappointed that the monster of Craigavon is where it is.

Housewife in Welsh TV protest is jailed

From Tim Jones Cardiff

Plaid Cymru yesterday accused the Government of "shameful hypocrisy" over the fourth television channel issue after a housewife in North Wales became the first woman to be imprisoned for refusing to pay her licence fee.

Mrs Helena Griffith, aged 36, of Anthony Packer, Bowness, Gwynedd, was taken to the Risley remand centre for 14 days after refusing to pay a £50 fine imposed by Pwllheli magistrates.

After her arrest Mr Ifan Griffith, her husband, said: "She has no intention of paying this fine at any time and we support her fully. The Government holds broken its pledge that a Welsh language channel would be established and caused the Queen to lie when she reiterated the promise in her speech to Parliament."

At Barry, South Glamorgan, demonstrators sang the Welsh national anthem as magistrates considered cases against two men who had refused to pay their licence fees.

A lecturer at the University College of Wales, Cardiff, and Carwyn Davies, of Barons Road, Penarth, were fined £25. A similar case against Jane Jones, a community councillor, was adjourned after she said the relevant documents had not been served on her in Welsh.

Tomorrow in Cardiff Plaid Cymru holds the first of a series of rallies in an attempt to force the Government to honour its election promise. It will be addressed by Mr Gwynfor Evans, president of Plaid Cymru, who proposes to begin a fast to death unless the Government changes its plan to spread Welsh language broadcasting between two channels.

Three saved at sea

Three fishermen were rescued yesterday from a burning smack, the Jilannon, of Gribshov, 30 miles off Spurr Head. The vessel, still on fire, was towed into the Humber.

Duke opposes ban on use of painkiller on horses

The Duke of Edinburgh yesterday criticised proposals to forbid the use of pain-killing drugs in equestrian events and defended the practice of reviving exhausted horses with stimulants during competition.

Speaking at the annual congress in London of the British Equine Veterinary Association (BEVA), he said he favoured a compromise allowing drugs to be used but under conditions preventing abuse.

The International Equestrian Federation plans to ban all pain-killing drugs this year unless new evidence shows a ban is unnecessary.

The most commonly used preparation is phenylbutazone, known as "Bute", and some claim that it, and similar drugs, influence a horse's performance and can be harmful. But the Duke, who is president of the federation, is firmly opposed to a ban.

"While there is quite a lot of evidence that the over-use of these drugs can produce consequently disadvantageous side-effects, there is little if any evidence to show that in properly prescribed doses given at the appropriate time, they have any significant effect on the normal performance of a horse," he said.

Those who argued against allowing a horse to compete in the last part of a three-day event after it had been treated for exhaustion on the previous day "overlooked an important point."

If the practice was outlawed, it might result in riders not treading tired horses at all for fear of disqualification.

Later Mr Colin Vogel, the association's information officer, said that more horses were being found suffering from exhaustion during three-day events, and it was debatable whether they should be allowed to compete on the third day after intensive drug treatment.

"We condemn those who administer 'Bute' just before an event to prevent horses feeling pain from a knock. But it is up to the administrators to decide whether it is right to pretend horses are better than they really are."

Church leaders invited to euthanasia talks

From Our Correspondent Cambridge

Mr George Meir, the chairman of Scottish Exit, the organization which promotes euthanasia, yesterday invited leading clergymen to discuss his booklet which outlines various methods of suicide.

The Moderator of the General Assembly of the Church of Scotland, the archbishops of Canterbury and York and the Dean of St Paul's have been asked to join in talks about the booklet, which is to be published soon. Mr Meir said he was irritated at uninformed criticism of the pamphlet.

"It should be remembered that the title of the book is 'How to Die with Dignity'. The only way to die with dignity is to die naturally, fortified by a profound belief in God, in the soul, in the creative life on another plane after physical death, and supported by medical aid," Mr Meir, aged 66, a retired surgeon, said.

"But for those agnostics, Hugenots or, alternatively those whose faith is not sufficiently great, a second method is described in great detail."

Parking meters make a profit

Motorists are feeding almost £10m a year into parking meters, according to a Royal Automobile Club survey.

Of 39 councils in England and Scotland 22 made a profit totalling £14.7m last year, indicating that there was no justification for further increases in parking fees.

Heart transplants defended after another operation

By Annabel Ferriman Health Services Correspondent

Surgeons at Harefield Hospital, west London, carried out their tenth heart transplant operation yesterday despite the deaths in the past three weeks of three heart transplant patients at Harefield and at Papworth Hospital, near Cambridge.

Mr John Wade, aged 38, a

former driving instructor, from Doncaster, became Britain's twenty-second heart transplant patient in the present series of operations. Mr Magdi Yacoub carried out the operation.

Mr Wade, who has a wife and two daughters, aged 15 and 12, was said to be in a satisfactory condition last night.

Mr James Burkhill, aged 49,

from Mold, North Wales, died at Harefield last month and Mr David Williams, aged 52, from London and Mr Richard Brittain, aged 16, from Coventry, at Papworth last weekend.

Three of the heart transplant patients at Harefield have died over the past eight months, the longest surviving patient being Mr Derek Morris, aged 49, a dock foreman from Swan-

sea, who received his new heart in March.

A spokesman yesterday defended the decision to continue with transplants. "There are risks involved, but it is a treatment of last resort and in the view of the teams involved it is worth going on."

Transplant programme defended, page 14

Programmes for the Autumn from London Weekend Television



PETER COOK & CO., a comedy extravaganza starring Peter Cook, with Ronnie Barker, John Cleese and Eddi Reader.



BLADE ON THE FEATHER, one of three new plays by Dennis Potter, with Donald Pleasence, Jonathan Miller, Eira Mackintosh and Tom Conti with Phoebe Nickolls, produced in association with PFF Ltd.



SEVEN AGES, a new Adult Education series looking at how people change throughout their life span.



NBODY'S PERFECT, a new comedy series about the ups and downs of an Anglo-American marriage, starring Elaine Strick and Richard Griffiths.



THE BIG MATCH, with top soccer commentator Brian Moore moving to Saturday night to introduce highlights of the day's big games.



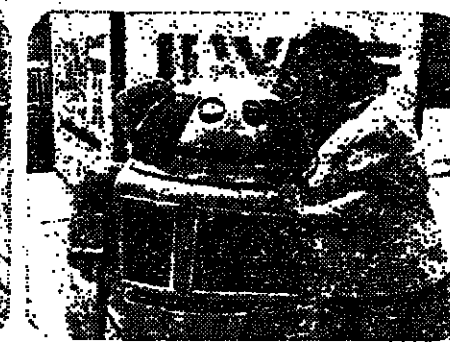
WEEKEND WORLD, LWT's weekly current affairs programme, presented by Brian Walden on Sunday at noon.



CREDO, LWT's current affairs programme on religious and moral issues.



PLAY YOUR CARDS RIGHT, a quiz show hosted by Bruce Forsyth.



METAL MICKEY, a new comedy series about a well-meaning robot who becomes part of a typical London family, featuring Irene Handl.



THE LONDON PROGRAMME, the current affairs programme for the London area, introduced by Godfrey Hodgson.



SEARCH FOR A STAR, a new series of the television talent show, searching for stars of the future, hosted by Steve Jones.



FANCY WONDERS, a new comedy series starring Dave King and Joe Marcell.



THE GENTLE TOUCH, the latest series starring Jill Gascoine as Police Inspector Maggie Forbes.



END OF PART ONE, a new series of irreverent and original comedy.



LOOK HERE, a monthly look at broadcasting itself in which London viewers can air their views, presented by John Purdie.



POLICE FIVE, produced in association with New Scotland Yard and introduced by Shaw Taylor.



SKIN, a series of programmes about immigrant communities in the London area.



THE WORLD OF TELEVISION, Denis Norden takes a humorous look at television programmes around the world.



THE SOUTH BANK SHOW, LWT's weekly programme about the arts, edited and presented by Melvyn Bragg, pictured with Claudio Abbado.



WORLD OF SPORT, produced by LWT every Saturday for the ITV network and introduced by Dickie Davies.



HOLDING THE FORT, a new comedy series starring Peter Davison and Patricia Hodge.



20th CENTURY BOX, LWT's programme about and for teenagers, introduced by Danny Baker.



SAMMY AND BRUCE, Sammy Davis Junior and Bruce Forsyth star in a one-hour show.



LWT/ITV London Weekend Television

HOME NEWS

Where the jobs are: Concluding the three-part series on how they are filled Funds help to match applicants to vacancies

By Nicholas Timmins

August's unemployment statistics showed 126,000 vacancies registered with the Government's employment service, a figure estimated from past studies to be about a third of the true total. These jobs lie mainly in the South-east.

With 410,000 out of work, the region had more than 20 per cent of the unemployment, but with 48,800 registered vacancies it had more than 41 per cent of the unfilled jobs. Even so, more than eight people were out of work in the region for each registered vacancy.

In the north of England there were only 5,500 registered vacancies, with 150,000 unemployed; 29 for each registered vacancy. In Northern Ireland the picture is even bleaker, with 68,000 unemployed and 1,000 vacancies.

Although the latest breakdown of jobs by occupation provides figures for March, only the statistics do indicate the pattern of jobs and jobsless, and show that as always in recessions it is the unskilled and semi-skilled who suffer most.

Those registered as unemployed general labourers totalled 479,334, or 71 out of work for each of the 6,734 vacancies registered.

That figure needs to be qualified, since many registers as general labourers to indicate that they can do a variety of unskilled work, while the vacancies tend to be more precisely classified. But other manual occupations involving varying degrees of skill, accounted for another 326,530 of those without work, with vacancies totalling 65,258.

The two categories added together give close to 806,000 unemployed, or about 60 per cent of the total with 72,000 vacancies available, 40 per cent of the total. There are 11 people out of work for each vacancy, a picture that by now will have worsened.

Vacancies for craft workers were far higher in the South-east than anywhere else, at more than 15,500, with about one vacancy for every two unemployed.

The ratio of unemployed craft workers to vacancies is far higher in other regions: more than ten to one in the North, seven to one in the North-west and five-to-one in the West Midlands.

To help to match the unemployed to vacancies, the employment service takes a number of steps. Jobs that can not be filled locally are notified to the 13 regional employment information centres, which allocate them to appropriate Jobcentres elsewhere.

If they attract applicants the Manpower Services Commission has two schemes to help with transfers. The first, search and transfer, involves sending the unemployed to attend interviews and take up jobs; 6,700 people last year took advantage of that scheme and a further 222 were given similar assistance to look for work in another area with vacant occupations.

The more ambitious employment transfer scheme helps people to move to jobs. The job must not pay more than £5,264 a year and school-leavers are eligible, but former students are not. Faces to the new job are provided, with allowances such as removal expenses, a disturbance allowance and settling-in grant.

Last year 9,785 people took advantage of the scheme, and just over £7m was spent on it. Like so much else, the scheme has been the victim of the Government's spending cuts. Only £5.7m is budgeted for this year for both schemes, and for the next three years £4m.

The past year has seen the scheme used imaginatively, and it is claimed to be cost-effective to take coachloads of unemployed skilled workers from the black spots to the jobs.

King's Lynn, faced with 160 apparently unfilled skilled vacancies in the middle of last year, informed the South Eastern employment services and brought down 32 unemployed men, 28 of them with their wives.

They were shown the area and interviewed by a number of companies. Twenty-five of them took jobs, including skilled engineering work and joinery. One went back within a few days. But Mr Neal McKee, an employment adviser at King's Lynn, said the rest had settled well. The link with the North-east has been maintained.

What made the scheme possible was housing. The local council made 60 houses available over six months, Mr

McKee said. "Without housing, it would not have been worth mounting."

That view is echoed at other places. Medway brought 24 skilled workers from Kilmar-nock, 13 of whom took jobs. Local council cooperation was less far-reaching, and Mr Stanley Watkins, of the Medway employment services, said that "had the housing been available I am sure that 24 jobs would have been filled".

In March the Reading area brought workers from Merseyside, with 23 attending interviews, principally with Sperry Gyroscope at Bracknell and the Atomic Weapons Research Establishment at Aldermaston. Six took jobs and four more are under consideration, although the need for security clearance for such work has slowed the processing of applications.

The weapons research establishment has its own housing, and Bracknell council made homes available.

None of those three areas, however, has immediate plans to repeat the exercise, because skill shortages are much less acute.

The Medway operation was mounted last October after skilled vacancies rose to 539. They are at present below 200. In the King's Lynn area skilled vacancies have dropped from 160 to two or three dozen, and some local companies are on short time. The publicity brought other workers to the area under their own steam.

Concluded

WEST EUROPE

Euro-MP is dismissed from French university

From Ian Murray
Paris, Sept 4

Mme Simone Veil, the President of the European Assembly, has written to M. Raymond Barre, the French Prime Minister, to ask him to investigate the background to the dismissal of an Italian woman professor from Paris VIII University.

Professor Maria Antonietta Macciocchi, was dismissed from the university because she had won a seat in the European Parliament. She received a letter from M. Paulin Ludi, head of the French university administration, saying that her job at Paris VIII was bound to be prejudiced by her membership of the European Parliament.

Signora Macciocchi, a political scientist, was given her professorship in France in October, 1972. A former Communist member for Naples of the Italian Parliament, she was excluded from the party in 1977 and has since joined the Italian Radical Party.

Last September she won her seat in the European Parliament because an elected member of the Radical Party resigned and made way for her.

The decision to dismiss her was taken without any reference to the university. The head of her department, M. Jean-Marie Vincent, has protested that on no occasion over the past year has her job in the Parliament interfered with her job in the university.

It is rare for a non-French national to obtain a job at a French university, but Signora Macciocchi has made her career in France.

The French law precludes any professor from holding an elected office in France, but this is not seen to cover election to the European Parliament. Among those holding both positions are M. Edgar Faure, the former Minister of Education and M. Gerard Schusterberg, a senior member of the Left Radical Movement in France.

Signora Macciocchi says she is convinced she has been dismissed for political reasons and claims the decision shows that xenophobia is rife in France. The Paris VIII University, set up by M. Faure after the 1968 student riots in Paris, has come under increasing criticism in government circles for its radical teaching methods.

Mme Veil wrote to M. Barre that the decision of the European Parliament would be an "inadmissible" excuse for dismissing a university professor.

Mme Veil has also assured Signora Macciocchi that she can rely on her full support if in fact membership of the European Parliament is being used as an excuse for the dismissal.

M Barre to keep financial policy despite electoral pressures

From Charles Hargrove
Paris, Sept 4

The French government will not succumb to electoral pressures and abandon its relatively stringent financial policy, M. Raymond Barre, the Prime Minister, made clear last night. He said on television that the franc would continue to be defended and the budget deficit contained within its present limits.

M. Barre indicated that some encouragement will be given to industrial investment, and a few crumbs of comfort distributed to the underprivileged to take the sting out of the big autumn offensive being organised by the more militant trade unions. But there will be no opening of the electoral flood-gates.

The Prime Minister was announcing the set of economic and social measures decided by the cabinet yesterday afternoon.

The communist-dominated Confédération Générale du Travail (CGT) considers that the additional 150 francs (£15) to be given to each child returning to school this autumn, and the same amount for old people, which will cost a total of 1,000m francs are a breach in the Government's policy of austerity and an encouragement to step up the labour struggles. The national minimum wage is to be raised again at the end of the year.

These are in fact limited measures in favour of consumption. A stronger stimulus is given to investment: 1,000m francs in low interest loans for firms with a good export record: an additional 10,000 low interest building loans; and measures to be announced next week to ease taxes on company profits.

The employers had hoped for more, but the president of their federation admitted yesterday that "it would be irresponsible to think that the Government could change its strategy."

M. Barre has certainly no intention of doing so, even if he does allow for some tactical adjustments. He will hold the helm as firmly as he has in the past four years, elections or no elections.

"How can you imagine that the Government will allow itself to be tossed about by an agitation which will last a few months, and allow itself to be driven to concessions or compromises which would make it depart from the line it has set itself?" he asked.

The whole question is whether, with unemployment and inflation at present levels, the labour front will as *Le Quotidien* remarks, "be satisfied with a few little presents" such as exceptional bonuses, premiums and loans as a substitute for a moderation of wage stringency, on which M. Barre has no intention of yielding.

President Giscard d'Estaing has no interest, in his view, in facing the voters next spring after a spell of labour tension which the Communist Party and the CGT will do everything to foment in order to undermine the position of the Socialists.

M. Barre admitted that Frenchmen returning from their summer holidays had

Aggressive riot equipment rejected by police chiefs

From Arthur Osman
Preston

Mr Alan Goodson, Chief Constable of Leicestershire, said yesterday that the Association of Chief Police Officers of England, Wales and Northern Ireland, believed that the traditional image of the British police officer going about his business on the beat was one that had to be maintained.

"We believe that we should cling on to that role."

But speaking at the end of a three-day private conference of the association at Lancashire police headquarters, near Preston, Mr Goodson, retiring president of the association, said: "It may be that levels of violence go up; in order to protect officers we may have to respond in a more serious way."

Nevertheless, the basic principle to emerge from the conference, held in the aftermath of the Bristol riot and disorders at holiday resorts, was that the police would not depart from

Business school training urged for council chiefs

By Christopher Warman
Local Government Correspondent

Senior local government officers should be sent to business school to teach them to cope with the complexities of local authority finance and management, the Business Graduates Association urged yesterday.

"The recommendation comes after a survey that found that of 10,000 senior managers in local government 'barely a dozen' had been to business school."

She David Clouston, director of the association, said: "This report reveals an educational hiatus of alarming proportions."

"Local government employs over 2,500,000 people and about £10,000m is spent annually on the local wage bill out of a total annual expenditure of £17,000m."

The report was compiled by a

Herr Genscher calls for continuation of détente

From Gretel Spitzer
Berlin, Sept 4

The annual congress of Liberal International began this morning in the lobby of the Reichstag building located next to the Berlin wall. The congress was to have used the main assembly hall but rules governing the use of the hall prevent it from becoming the venue of one particular political party.

Observers consider it somewhat narrow minded to apply the rule to an international gathering even though West Germany is in the middle of an election campaign.

Mr Gaston Thorn, president of Liberal International, justified the decision to some extent, however, when he said in his welcoming speech that the congress was to show that the German liberals were not without true friends in the world: that October 5—the day of the West German national elections

Menten case to go before Dutch Supreme Court

From Robert Schull
Amsterdam, Sept 4

The Dutch Supreme Court will consider the case of Pieter Menten, the 81-year-old Dutch millionaire and art collector convicted of war crimes, for the fourth time on October 27, the Justice Minister in The Hague announced today.

On July 9 Mr Menten was sentenced to 10 years in prison and fined 100,000 guilders (about £22,000) after being found guilty of having been involved in the mass execution in July 1941, of between 20 and 30 Polish nationals, mainly Jews, in the village of Pod-gorzyca which at the time was in German-occupied Poland and is now part of the Ukraine.

Mr Menten was first sentenced to 15 years' imprisonment for his part in the Pod-gorzyca executions by an SS team by a court in Amsterdam in December 1977. This verdict was quashed.

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Business Woman 1980.

The panel is again searching for a woman who is the modern image of Veuve Clicquot.

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Traditionally the winner receives a commemorative 'tastevin' identical to

that owned by Madame Clicquot.

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As a "Friend of the Widow" she will also receive a bottle of Veuve Clicquot on every birthday.

Nominations will appear in The Times Business News soon.

Could you be the one to nominate a successor to Ann Burdus and win for yourself some of Clicquot's finest champagne?

For further information, contact Kerry Falcon, "Businesswoman", The Times, PO Box 7, New Printing House Square, London WC1X 8EZ.



THE TIMES
Veuve Clicquot
Business Woman of The Year 1980.

THE ARTS

Neil Simon discovers an uncontrived profundity

Chapter Two (A)
Odeon, Leicester Sq.

Rough Cut (AA)
Plaza 2

Heartbeat (X)
Gate 2

Harlequin (X)
Classic, Haymarket

In the Year of
13 Moons
Electric Cinema Club

Without being in any way the most expert, *Chapter Two* is easily the most interesting and attractive film that has been made from a play by Neil Simon. The surface is not such brittle, machine-gun dialogue as before; the essential morality of Simon's view of sex and marriage is more in evidence, along with a new capacity for exposing deeper human feelings. Maybe the reason is that the story is, as we are told, essentially the same as the one in *Chapter One*, but the author's experience plays a newly widowed man who meets a new divorcee (Marsha Mason, in real life Mrs Simon).

This time the conventional structure of a Simon three-act play (they meet and fall in love; things go wrong; things are mended again for a happy end) is not a contrivance but the very theme. These two people on the rebound fall in love, are rushed into things by well-intentioned friends and relatives and by the general pace which is supposed to be proper and normal for mid-

twentieth-century emotions. The marriage starts to founder as soon as the honeymoon begins, under the weight of the husband's guilt and self-regret over his dead wife. They separate, but gradually come together again, given time, patience and the ultimate realization that the living cannot stay thrills of the dead, however well loved.

The roles are much more demanding than the usual Simon dialogue show. Marsha Mason rises magnificently to her part and makes her big brave speech sound like a real life Caan, who is now an experienced and excellent actor, has perhaps a harder task in giving credibility and sympathy to the irrational emotional hitches of the husband and the cruelly but unwaveringly inflexible on the loyal and unwaveringly loving second wife.

The director, Robert Moore, who has ably adapted his role from previous work on more farcical Simon scenarios. The marvel of *Rough Cut* is that it is no worse than it is given the difficulties this British production underwent. Originally it was to have been directed by Blake Edwards, who would have suited the rather damp froth of the script by "Francis Burns" (a pseudonym apparently) the original writer, Larry Gelbart, who took over the film. Eventually, it was taken over by Don Siegel, who has always professed a desire to move into light comedy, but here still wields the *Dirty Harry* tooth.

Siegel was fired (according to *Variety*) and then rehired by the producers, Jerry Moskowitz, in the course of production, and an ending was shot by Robert Ellis Miller. Since anyone slightly familiar with the caper film genre can confidently predict how the one is going to turn out long before the film is halfway through, it is hard to see why there should have been a dispute over it.

The film's worst fault, perhaps, is overlength. Given 120 minutes less running time, the story would have been in the attention, even though neither writing nor direction enables the actors adequately to explain their own merits. But Reynolds, usually a much swifter and livelier light comedian, is a playboy and crack jewel, thief and Lesley Ann Down a seductive and well-connected kleptomaniac, black-mailed into acting as an agent provocateur. David Niven goes to the heart of the matter as a wily Scotland Yard inspector looking for his biggest coup on the eve of retirement.

Heartbeat is an odd, attractive and finally not very successful film which startlingly alerts the older among us to the long passage of time since the emergence of the Beat Generation. It is determinedly a period piece; and the recreation of the late Forties atmosphere, the uneasy time between wars, is the most substantial merit of the film.

It is a fictionalized (and somewhat bowdlerized) account of the relationship of the writer Jack Kerouac and his friends Neal and Carolyn Cassady, who both figure large in *On the Road*; and of the impact of the publication of Kerouac's book, *On the Road*, on a rather disreputable celebrity and popularizing—ultimately commercializing—the Beat Scene. When it comes to this last element of the film, the script by the writer-director John Byrum (suggested, say the credits, by Carolyn Cassady's memoir) tends to fall into regular biopic cliché: the hero who is misled, if not corrupted, by fame, and the incorruptible friend who looks like a conscience in the background.

It is doubtful how large an audience will still be attracted by this revisiting of the Beat Generation, and whether, whether those who do, feel satisfied that this is really a definitive statement on it.



James Caan takes time out from marriage in *Chapter Two*

But Nick Nolte (as Neal) is dominating presence. John Heard is cleverly understated as Kerouac, who from his own insecurity admires his friend's self-knowledge; and the new Sissy Spacek—glamorized to appear rather like the old Gloria Grahame—admirably combines the sensibility and the resilience of Carolyn, the shared wife of the ménage à trois.

Harlequin is precisely the sort of thing that can do nothing but harm to the emerging Australian cinema, and it is troubling to find that it is in part financed by the Australian Film Commission. It is a determined attempt at creating "international" appeal by interlarding English and American dialogue with obvious Australian accents into an aged Broderick Crav-

and settings that have no evident geographical or national actuality. The result, inevitably, is a queer, sterile limbo-land.

The idea was originally not a bad one: the Rasputin story is updated to make the Tsar a high-ranking politician (David Hemmings) whom ambition has delivered into the hands of corrupt and criminal business elements. Rasputin (Robert Powell) turns up as a professional entertainer at a birthday party for the politician's fatally ailing son, and then turns into a magician with supernatural powers and a wardrobe of ostentatiously camp clothing.

The script is so awful that Powell and Hemmings are hardly to be blamed if they like pure cruelty, though to push an aged Broderick Crav-

ford—an ossified rather than actually rocklike presence—through the role of the mafioso king.

Much as I admire Fassbinder, I am no fonder at second viewing of *In einem Jahr mit 13 Monaten*. The year 1978 was one of those rare ones in which there were 13 months instead of 12, a phenomenon which is popularly reckoned to do no one any good. Fassbinder's personal misfortune during the year was the suicide of his lover, while he himself was at the Cannes Festival; and the film seems in some way a tribute to his memory.

It is a *tour-de-force* exhibition of human oddity. The central figure is a transsexual and transvestite in the last days of confusion and despair leading up to suicide. She visits the

slaughterhouse where once she was a cheerful working man; she returns to the orphanage where she is reminded of a sad affair goes unexplained, and Cheri's adventures with his friend Desmond are left out too. Those are no great loss, since the prime interest of the book is the love between Leo and Leona, and luckily Darrell has an ideal interpreter for that role in Galina Samsova.

Lea herself is obsessively interested in only two things: her love for a possession of Cheri, and her apprehensiveness about her ageing body. In a ballet lasting about an hour, with the leading character on stage most of the time, that could lead to monotony; it is amazing how Darrell and Samsova hold the interest unerringly, creating a full-length portrait of remarkable depth and detail.

Certain motifs recur throughout: her nervous way of looking in the mirror at the foot of the bed; too different from Cheri's is a subtle, even a little, in the way she "re-created" her neck for fear of incipient lines. Samsova manages to give the gestures a different inflection each time. Also important in her characterization is the fact that she knows, and shows, how a lady behaves in all circumstances.

The ballet is not quite a new woman show but everyone else is a subordinate character. Bissell, a young American dancer making his British debut as Cheri, has reported virtuosity to be taken largely on trust, but his brief roles reveal great fluency and flashes of brilliance. He is nervous enough, and in the duet, he reveals impressive strength, skill and expressiveness. Darrell caricatures many of the minor characters heavily, but Sally Collard-Centle makes much of Cheri's mother.

David Lewis's score is a rarity among recent ballet music, being unfailingly tuneful. Some of the melodies get stretched a long way, but the variety of instrumentation adds character, and the music is helpful in the effect in the same way as Philip Prowse's designs, which though the stage simply but effectively for quick scene changes.

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Edinburgh

Cheri
King's Theatre

John Percival

Colette's famous short novel about the self-centred pretty boy and the older woman who loves him is full of references to dancing, so nobody should object that Peter Darrell has made a ballet of it, which the Scottish Ballet are doing at the King's Theatre this week in what is only their second appearance at the Edinburgh Festival's official programme.

The plot which Darrell has devised in collaboration with the author's daughter, Colette de Jouvencel, stays faithfully to the original characters and situation, while condensing the action and omitting some incidents: the beginning of the love affair goes unexplained, and Cheri's adventures with his friend Desmond are left out too. Those are no great loss, since the prime interest of the book is the love between Leo and Leona, and luckily Darrell has an ideal interpreter for that role in Galina Samsova.

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Ned Chaillet

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William Mann

Hotfoot from the Edinburgh Festival and Berlioz's *Wozzeck*, Sir Alexander Gibson and his Scottish National Orchestra came south on Wednesday to visit the Henry Wood Proms. From their recent Nielsen cycle at home, they brought the fifth symphony whose approach outbursts showed off the might, and the nimbleness of a full heavy brass section as well as a drum major in the famous ad libitum cadenzza. Nielsen meant it to be a noisy symphony and our visitors from Glasgow obliged, though Sir Alex left no doubt that the heart of the

Lindsay Quartet
Wigmore Hall

Max Harrison

Wednesday's concert by the Lindsay Quartet was the first of a series in which they are to play all four of Sir Michael Tippett's string quartets. In the opening piece, *Haydn's* opus 20 no 1, the happy impression was conveyed that the aesthetics of the Wigmore Hall, always kind to strings, were actively co-operating with the ensemble, for everything was very clear, as if photographed on one's ear.

Obviously that was a tribute to the playing as well as to the acoustics, and beside the striking separation of the parts, which brought out such textures as that first movement passage in which the cello

ascends into the treble register and the bass line is taken by the viola, the music's ebb and flow sounds wholly spontaneous.

Haydn's slow movement, marked *effettuoso e sostenuto*, can seem less enterprising, but on this occasion it was played with a sense of true beauty that revealed its true substance. The Minuet has some unexpected moments which arise mainly from harmonic considerations, whereas the finale's surprises are a matter of syncopation and irregular phrase lengths. Such details were well pointed by Wednesday's performance.

It would be interesting to hear the quartet's version of Tippett's Quartet no 1, instead of the revision made later, and which the Lindsay ensemble of course played. Perhaps the effect of the revision was to concentrate the vast energy, which reaches its

height in the finale where it is conveyed by means of joltingly irregular accents. Possibly another result was the seamless flow of the music's lines, which seem to run from the first bar to the last. Certainly it is packed with musical ideas whose impact is increased by the three movements being played without a break; and in many places the argument is more volatile than anything composed in this country, is ever supposed to be. The Lindsay players some years ago recorded Tippett's first three quartets, and their performance was delivered with a commanding authority.

After such works Borodin's Quartet no 2 provided just the right sort of change in pace. He wrote it unusually quickly, in fact during a month in the country, as we might almost guess from its mellifluous charm.

Macbeth
Old Vic

Irving Wardle

Anyone prompted by *The Dresser* to start pinning for the good old days of the actor managers will find a useful corrective in this Peter O'Toole-Bryan Forbes collaboration which gruesomely evokes the kind of thing one used to get from *Whirl* on a bad night.

Two assumptions underline the show: that it is happening mainly for the sake of the star, and that the stage is a world unto itself. Over the past 20 years we have come to expect Shakespearean production to combine the theatrical pecking order with that of ordinary human life. On Mr Forbes's stage, status is entirely an internal stage affair. Come the Porter scene, and Gerald Sim puts on a posh voice and lords it over the high-ranking visitors. Naturally, it is his scene and he has the most lines.

By no means all the supporting company consists of unknowns, but whoever they are they fall repeatedly into semi-circular school play groupings, holding up their banners on the top level of, or adopting the one-up, one-down stance on the steps of Keith Wilson's rostrums, while Bernard Archard's Duncan fretfully paces his favoured downstage area, taking care not to mask the bloody Sergeant posed at full length in a comrade's arms, downstage, right.

Unbroken continuity of action is another factor we now take for granted; here again Mr Forbes puts the clock back by punctuating virtually every scene change with a blackout and filling the gap with bedlam, sounds of war, and ominous flutters on the

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Witching hour: Peter O'Toole and secret, black and midnight hags Photograph by Donald Cooper

Romanian pan-pipe. Costume and set alike evoke the sense of Old Vic decay in the Baylis era; it all seems to have been put together out of stock, and the one conspicuous design element, a tree-festooned skycloth, on which we get projections of thunderstorms, breaking down, and the fuzzy features of the first apparition, forms a continuous pictorial contradiction with the non-theatrical timber assembly.

The one novelty Mr Forbes has to offer is a trio of eye-catching young witches, who

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Construction in the Arab world

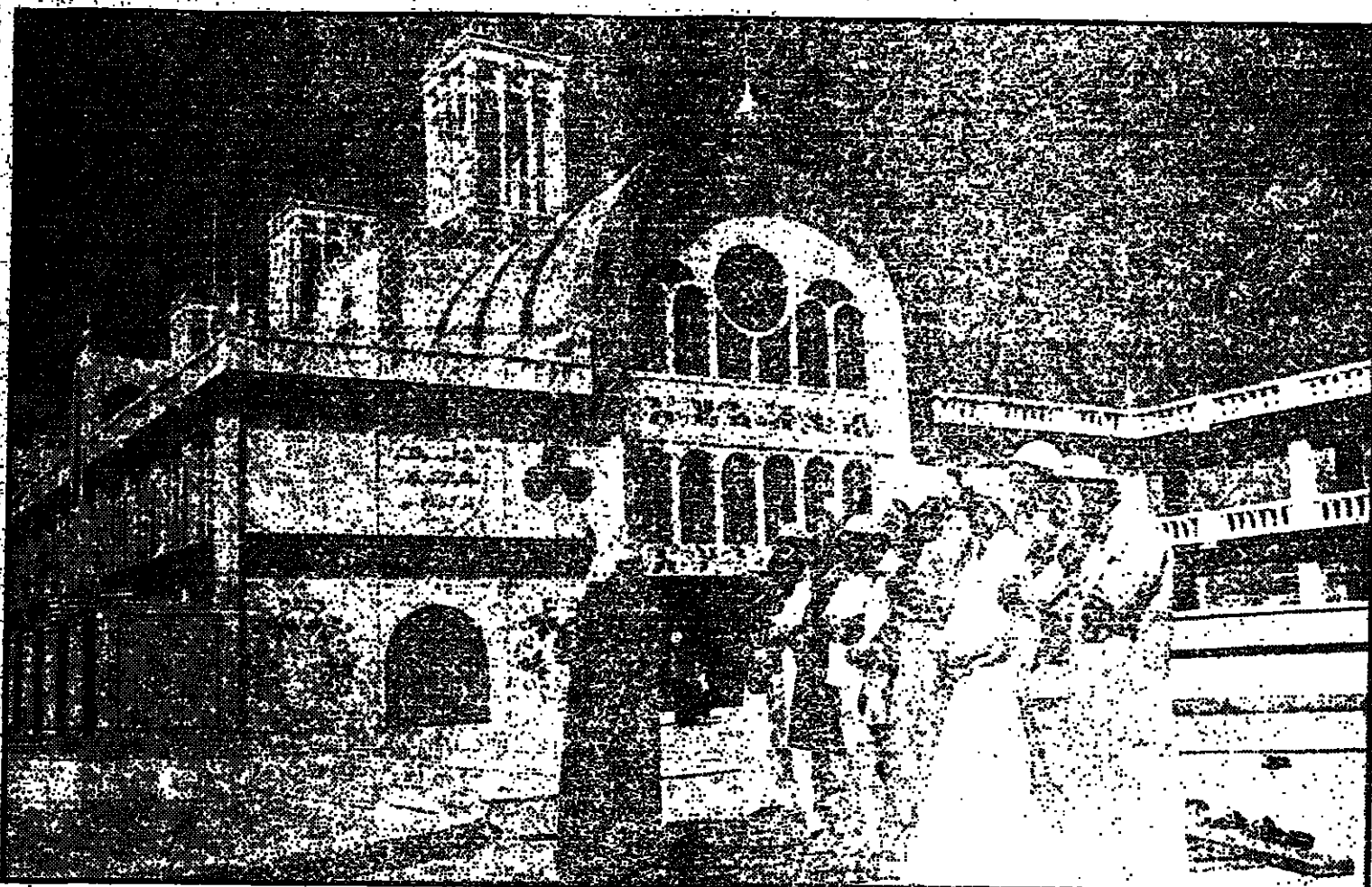
British firms ask 'Is it worth it?'

Saudi Arabia's third five-year development plan, with its intended expenditure of about £100,902m, and Iraq's steadily growing market for machinery installations would seem to indicate that the construction industry in the Arab world is still a profitable one. But British companies are increasingly asking themselves "Is it worth it?" Since the hectic boom of the late 1970s, when there was more than enough work to go round, the initial hunting grounds for British contractors in Saudi Arabia and the Gulf states have become high-risk areas. Add to this Britain's dwindling share of the market, and it becomes less surprising that companies and firms whose main overseas turnover for the past decade has come from the Arab world should turn further afield in urgent search of new and easier markets.

Figures compiled by the Department of the Environment for the year ending March 31, 1979, showed a continuation of the decline in new work won by Britain, which began in 1976, and this year's figures are expected to show an even greater fall. Annual reports for last year from leading British construction companies in the Middle East show correspondingly low figures. Costain, for example, reported a Middle East turnover down by £71m, and Taylor Woodrow's profits in the region fell from £7.4m in 1978 to £5.2m.

For consultants, the outlook based on recent trends is less daunting, although in 1979 the Association of Consulting Engineers reported that the total estimated capital cost of overseas work in hand by member firms had fallen marginally from £36,290m in 1978 to £35,625m. Individual firms said their Middle East work had not decreased significantly. But both consultants and contractors say that fierce competition has radically increased. Middle East operations since the late 1970s. The impact of South Korean and other Asian companies on prices has been well chronicled, and reports suggest that the overseas initiatives recently launched by China's state construction corporations, particularly in the export labour market, have added a new and disturbing dimension to an already bleak and crowded horizon.

Moreover, the strong pound has placed one more burden on British contractors in a market where awards are largely determined on the lowest lump sum fixed price rather than on quality or reputation. When faced with such slim profit margins, contractors have understandably become wary of inflated operating costs and delayed payments on huge projects such as the Saudi Bahrain causeway, for alone the initial expense of preparing bids and finding tender bonds. Seven leading British construction companies were members of the 12 consortiums which took out tender documents for the much publicized 25km of bridges and



embankments between Saudi Arabia and the island of Bahrain. Only one, Cleveland Bridge, remained among the 15 consortiums which eventually made bids, and the very first to drop out was the wholly British group of Taylor Woodrow, Costain and Redpath Dorman Long.

Competition for consultancy work in Saudi Arabia and the Gulf states has also made the going more arduous for British consultants, complemented by increasing commercialization of the relationship between consultant and client, which is eroding the traditional concept of client and independent adviser. Terms of

reference are often undefined and lead to studies which do not match the client's expectations. Two largely unexplored markets which might give a fresh injection of work are Iraq and Algeria. But in Iraq, the main obstacle lies in even reaching the pre-qualification stage, as shortlists of suitable contractors are often chosen before the official advertisements involving prequalification bids appear.

Iraqi government agencies have also been known to by-pass tender procedures by entering into secret negotiations with one pre-

selected contractor. Furthermore, the allocation of places on tender shortlists is often made on national grounds. GKN was the only British contractor to prequalify for the £200m Basrah international airport last year, but eventually pulled out of

the short-list, having failed to interest other British companies as sub-contractors. Although the British "slot" was offered to other companies, there were no takers, contractors shying away from pricing such a large job in the short time left. When tenders were finally returned in the late spring of this year, after several extensions of time, Costain did participate, but only as a sub-contractor to Mitsubishi of Japan for the heavy works.

Iraq offers more equitable terms to consultants, although the newer state organizations set up to orchestrate industry and agribusiness reportedly deal

with consultants on much the same levels as in Saudi Arabia. The lingering predominance of French interests in Algeria, Tunisia and Morocco has hitherto deterred British contractors, but Algeria has wider in an express attempt to move out of the French trade sphere of influence on the North African coast. Despite the country's former dubious payments record, said now to be improving, British contractors have been negotiating for work on services connected with ports and housing, though these negotiations seem to take an inordinately long time by standards in other Arab countries.

Although British consultants have scored a number of significant successes in Algeria—most notably W. S. Atkins with its commissions for a huge steelworks and a teaching hospital—future opportunities are likely to be within the large state organizations in a support and training role, rather than on an independent basis. Indeed, this trend towards direct local involvement is evident throughout the Arab world, as more consultants work on the ground alongside or in conjunction with local firms, instead of operating from a London office.

With their large capital exposure in plant and materials, British construction companies are turning more frequently to the joint venture or consortium approach, in order to spread the risk on big projects. Forming consortiums is not without pitfalls, such as increased working costs incurred by the amount of time devoted to liaison, but where consortium members stem from several different countries, it unlocks doors to previously inaccessible sources of credit, an advantage in aid-dependent countries such as Egypt.

Using contacts made through consortium members in several different countries, British contractors can meet Middle East prices by obtaining quotes at more competitive rates than are available at home. Also an international consortium may present a more politically acceptable face to the client. Political instability in the Arab world remains the overriding risk factor contractors must take into account when committing themselves to large-scale projects entailing a construction schedule of anything up to six years. The virtual collapse overnight of the Iranian market showed British contractors how vulnerable their operations are amid the turbulence of Middle East politics, and events over the past 18 months have done little to allay their unease.

Fears for expatriate staff caused by the imprisonment of two British businessmen, Mr Ned Sparkes of Wimpey and Mr John Smith of Hestair Dennis, on alleged charges of bribery and espionage coupled with continuing apprehension over trade relations despite the lifting of an unofficial trade embargo imposed on British companies after the expulsion of Iraqi diplomats from London last year, played a large part in dissuading British companies from bidding for the Basrah airport job, and still make them reluctant to venture within range of Iraq's volatile politics.

Confidence in Saudi Arabia, once regarded as the most politically stable of Arab markets, was sent reeling by the Saudi backlash over the death of a Princess, and it has not fully recovered despite the reconciliation achieved by the diplomacy of Lord Carrington. The damage done has yet to be statistically quantified, but may prove to have been slight, but not only contractors suffered, as Ewbank and Partners were barred from submitting design bids for two large desalination and power plants at Mecca and Assir.

The Middle East has therefore not only lost much of its commercial lustre for British companies, but has also become an unpredictable and potentially dangerous working environment. While the area will continue to provide Britain with most of its overseas construction workload for some time to come, declining overseas group turnovers will be sustained only by work won elsewhere in the world. To some extent British construction companies have achieved this aim, particularly in Trinidad, Nigeria and Sri Lanka, but the new work has not yet totally replaced their rapidly depleting Middle East orders.

Jim Bodgener
foreign reporter,
Construction News

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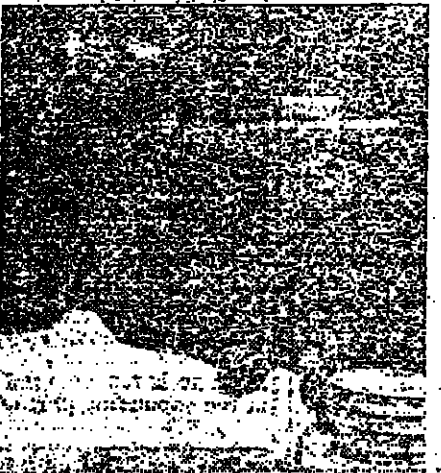
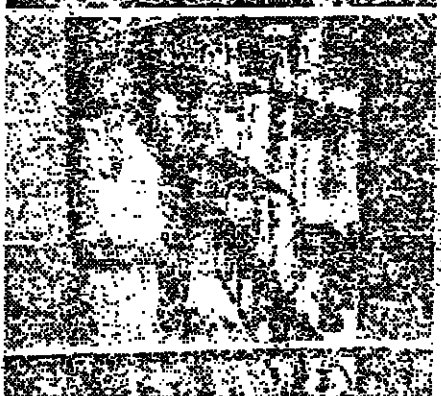
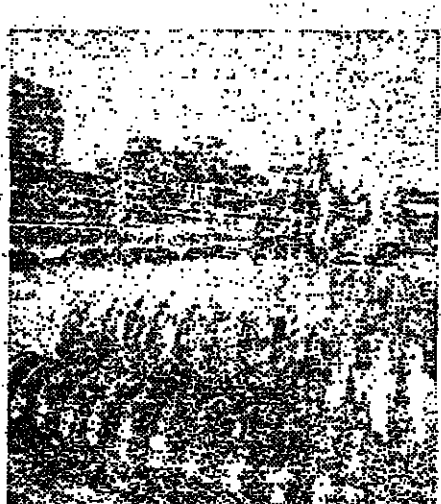


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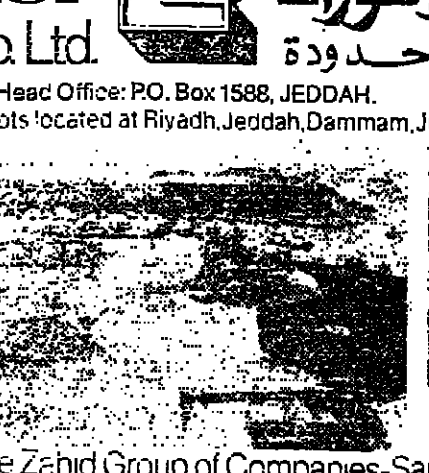
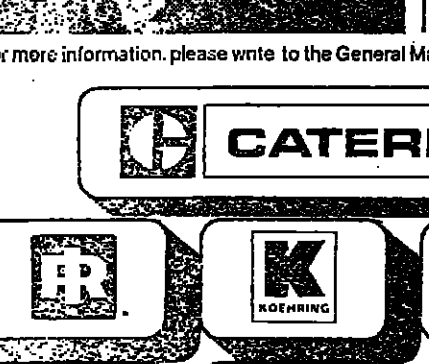
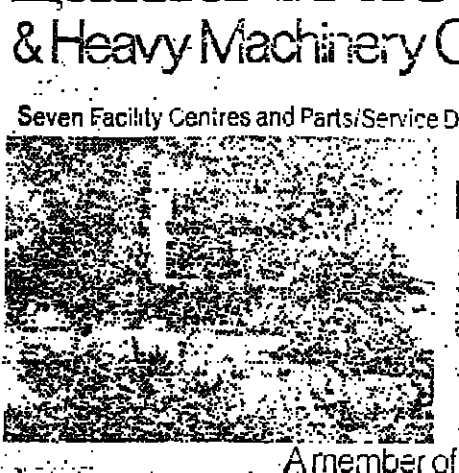
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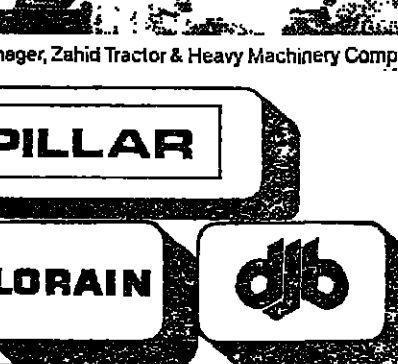
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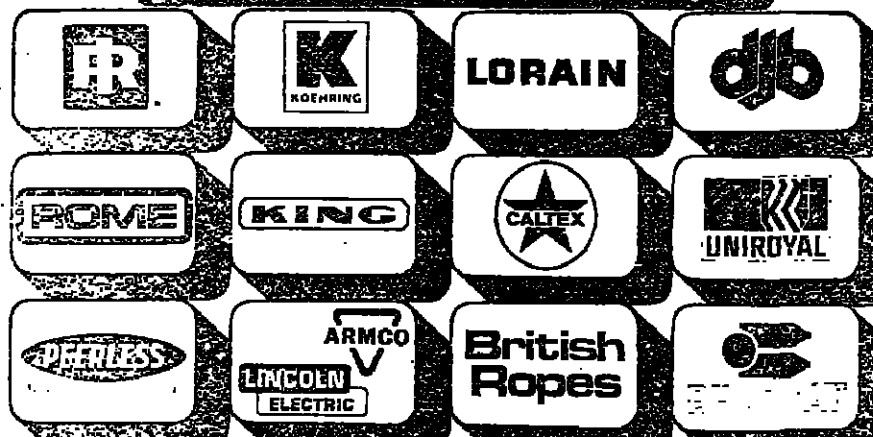


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Business risks grow as competition and contract demands continue to stiffen.

John Whelan, deputy editor, 'Middle East Economic Digest', examines the pitfalls from the points of view of foreign contractors and bankers

Advance payments are big incentive

The biggest financial incentives in Arab contracting are the generous 20 per cent advance payments made to construction companies and consortiums operating on the big projects. The cost-free mobilization funding which they represent is one of the best financing arrangements available in the world.

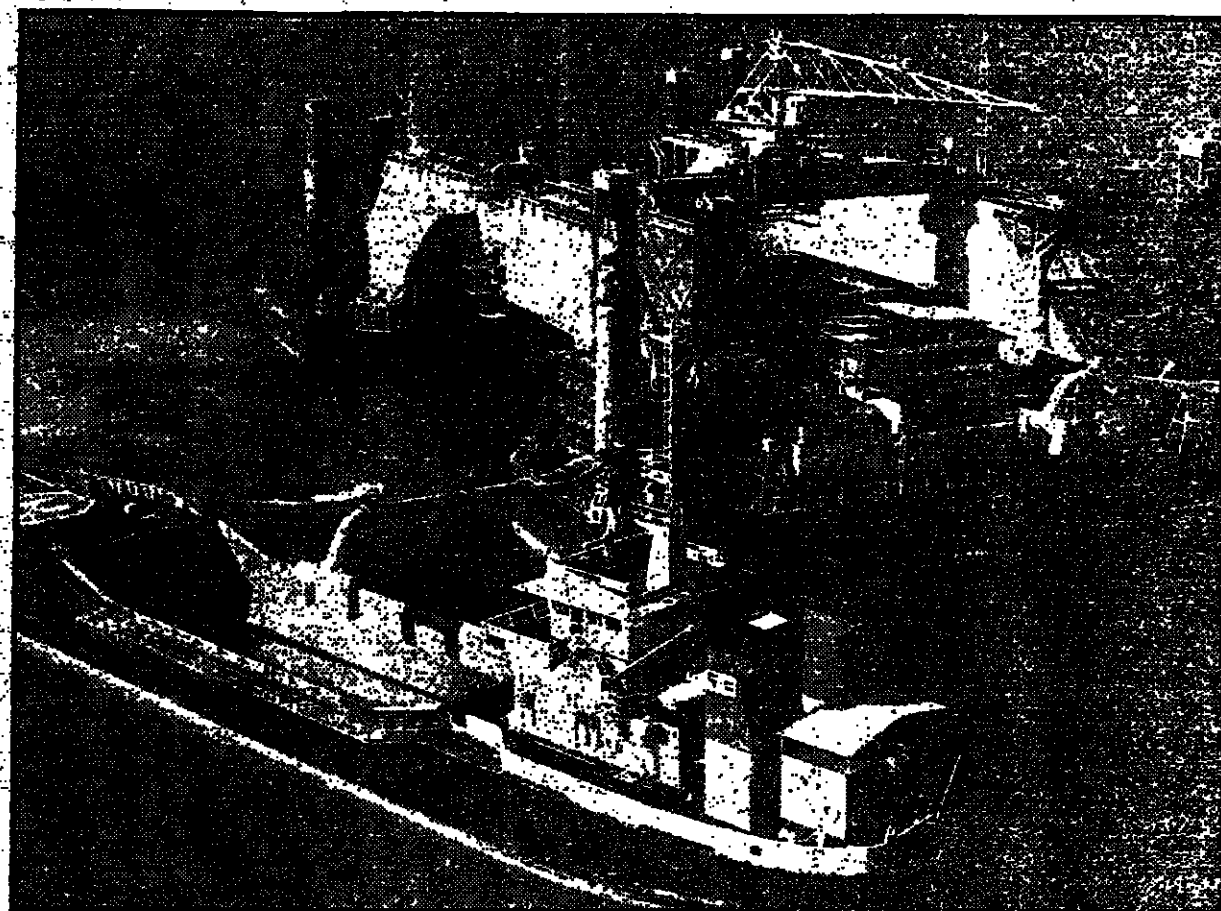
Without such an inducement it is doubtful, for example, whether the consortium which built the 66-hectare industrial harbour at Jebel Ali, outside Dubai, on the Gulf coast, would have been able to invest in the equipment and machinery necessary to complete the job to a punishing schedule.

Jebel Ali harbour was started in 1976 at a time of high levels of inflation locally. Yet even now that inflation is down to single figures in many Gulf countries, bottlenecks still remain. For example, thought to have been eliminated, is the problem of transporting in Saudi Arabia one contractor working for the United States Army Corps of Engineers recently estimated his mobilization costs on items such as worker accommodation and equipment, at nearly \$40m. As he reflected ruefully: "That was not good for our cash flow in the early stages."

When the honeymoon is over and a contractor has digested the financial advantages of the advance payment, reality often sets in. The serious problems surrounding delayed payments seem intractable and get no better as bureaucracies improve in other respects in Gulf countries.

In 1979, shortly after the Queen visited a prestige British-built hospital in Qatar, the contractor was forced to withdraw from the site. The Doha Government has a reputation for parsimony which sometimes is carried to extremes but in this case it took the British company several weeks before it could resume work and get labour back on site. Such action is rare but national contract (FIDIC) is common for contractors, especially where there are experience delays of any kind from 30 to 60 days in payments. Some of the smaller Gulf emirates such as Sharjah owe large sums to contractors. Even in the richer states such as Saudi Arabia payments are traditionally slow towards the end of a budget period.

By this stage in Arab contracting—which started to boom after the 1974 first big round of oil price rises—the most conspicuous companies with any expertise of the market allow



A dredger clearing the approach to the port at Jebel Ali.

for delayed payments. However, the question centres on the declining markets with less new work emerging each year, and how long the contractor can carry his receivables.

The underlying principle of Arab contract law is the *sharia* and the Arabic version of a contract or agreement is usually the binding word. This has sometimes resulted in disputes over the scope of work.

A Dubai-based quantity surveyor says: "FIDIC is used in 99.5 per cent of contracts, but we usually make variations because FIDIC is particularly vague on payments. We use the RIBA (Royal Institute of British Architects) form as a basis for payments in 90 per cent of cases."

The UAE, which attracted 24 per cent of the world's top 200 contractors in 1979, has a more or less standard approach to contract condi-

tions for project work: 10 per cent performance bonds, 10 per cent retentions, with 5 per cent released after partial completion of the maintenance period, and 5 per cent at the end of the maintenance period.

Advance payments are less standard than in Saudi Arabia, varying from 10 to 25 per cent, but Saudi practice is followed and in Abu Dhabi a company which is more than 51 per cent locally owned will always qualify for an advance payment.

In theory grievance procedures exist in most Gulf countries. The Jiddah Grievance Board is the most formalized but contractors rarely seek redress at that level. A Jiddah-based contractor says: "Liquidated damages are not applied on the whole. It seems alien to the Arab way of doing things; usually by the time a building is opened everything has been sorted out."

An important decision for international contractors has been the move by the Saudi Government to express contracts valued at more than 300m rials (\$38.6m) in dollars or another international currency acceptable to the contractor. This has the effect

of deflating the forward market for Saudi rials, which has grown up in Bahrain, where offshore banks service the Saudi market. There may also have been benefits for the contractor.

Between 1977 and 1978, in particular, the purchasing power of the "safe and strong" Saudi rial fell considerably in relation to the Deutsche mark, guilder and yen and to a lesser extent against sterling. It was fairly stable against the dollar since the rial is tied to a basket of currencies in which the dollar has a 33 per cent weight. The unpredictable changes cost many contractors lost profits.

Now the denomination of contracts in dollars has had the result of easing the exchange risks as well as achieving the Saudi Government's aim of preventing the internationalization of the rial. Given the lump sum, fixed-price preferences of the Saudi Government in contracts the contractor has been relieved of the burden of projecting the relationship between the rial and the currencies in which he pays his job expenses. As one contractor said: "We only have the dollar to worry about and that's enough."

What has eaten into contracting profits in the Arab world more than any of these factors has been the growth of competition. Most contractors say the yield on revenue and turnover in Saudi Arabia—the biggest market—is running at between 5 per cent and 15 per cent. The Korean and Asian contractors will undoubtedly settle for less.

Some recent pricing by Korean contractors anxious to maintain full order books is described as "suicidal". There is also a growing tendency to negotiate after the opening of bids, which is a reflection of the growing competence of civil servants, but has had the effect of making margins even tighter.

Given these factors what is the outlook? From the contractor's viewpoint, the market has become more rational but competition has increased. The imponderables are those which the contractor is unable to control: political risk, payments delays and, most of all, growing competence in government ministries and agencies leading to tougher supervision of the contractor and cost consciousness on behalf of the client.

The financial giants' causeway

The array of more than 40 bids submitted for the \$800m Saudi Arabia-Bahrain causeway at the end of June triggered chain reactions in many of the big international banks involved in the Middle East. Once the engineers have finished costing any one of the dozen or so mega-projects which emerge each year in the Gulf, bankers take the stage.

By November, when a decision can be expected on the causeway offers, the key financing issues will have been decided. Later, when the prime stones appear in the financial press with the participating banks arranged in a neat pecking order, it will be possible to guess at what went on behind the scenes in London, Frankfurt and Tokyo.

The Saudi-Bahrain cause-

way, although it has gripped the contracting world's imagination and set off a heated debate about the merits of steel configurations as opposed to concrete, is dwarfed by some of the other projects being undertaken in the kingdom. In 1979 Saudi Arabia was the most popular Middle East market, attracting 53 per cent of the free world's 200 leading contractors. The Saudi approach to contract finance is a yardstick for other Gulf countries and has a pervasive influence elsewhere.

The Saudi Government's regulations on bid bonds, performance guarantees and advance payment guarantees no longer rouse the fears which they used to engender for many bankers. With the generally more rational approach that the Government has taken since the immediate post-1974 oil boom subsided, the financing is-

sues also seem to have become less difficult to resolve.

One reason is the growing familiarity that the international banks are developing with the market. Another is their penetration of the Gulf and Saudi Arabia. Bahrain as an offshore centre is a haven for more than 70 banks. About a dozen international banks are known to have unofficial representative offices in the kingdom.

These are discreet presences since generally speaking the Saudi Arabian Monetary Agency (SAMA) is reluctant to allow official representative offices. This is part of an attempt to stop the internationalization of the Saudi rial. Pioneering work was done by a number of banks in educating contractors about foreign exchange risks in contracting, which process the Bank of America made a significant contribution.

To ease the burden on the two wholly owned Saudi banks SAMA has issued a list of 100 banks around the world whose status by letters of credit provided they are confirmed by a Saudi bank which will charge a confirmation commission of about 1 per cent a quarter, payable quarterly in advance, which has the effect of doubling the cost of the guarantee at the Saudi end.

The Saudi Government once required that the letter of guarantee be issued by a Saudi bank. Before it would do so, the Saudi bank would require that the foreign bank issue a standby letter of credit in its favour to back up its own guarantee

to the client. After 1976 this rule was changed.

A second point on which there has been confusion is the "on demand" feature contained in the required wording of the stand-by letters of credit. The text does include a clause which allows the Government to draw against the letter at any time. This has been criticized and, indeed, abused in other Arab countries notably Libya, for having the effect of a "blank cheque". The only defence which can be advanced for the "on demand" clause is that the contract usually contains provisions which protect the contractor.

A banker with considerable experience of Saudi financing, Mr. Fakrudin Khalil, of UBAF American Bank in New York, says: "While it is essentially true that this is a blank cheque, the contractors' fears of an arbitrary drawing by the Government have been exaggerated."

The performance bond is usually where the blank cheque aspect causes most concern. It is a guarantee for an amount usually equal to 5 per cent of the contract value. It is put up by the contractor against satisfactory performance and the conventional wisdom is that it is almost never called even if things go wrong.

From the Government's point of view, capricious calling of performance bonds, which the Libyan Government is alleged to have done, would damage relationships with foreign contractors. It also means expensive and time consuming retendering. Yet in 1979 the Ministry of Communications, which is to be the guiding ministry on the Bahrain causeway, felt obliged to move on a Swiss consortium which had a \$9.3m roads contract.

It appears that the consortium's difficulties reflected Saudi inflation (though now to be in single figures), the

rise of the Swiss franc, port congestion (now said to be eliminated), and underbidding in the first place. The contract was also to the fixed price lump sum formula favoured by the kingdom, which rarely allows indexed, contracts or cost plus contracts, except in the oil sector where the country's principal oil producer and operating company, Aramco, is rather more flexible.

It appears that in correspondence with the bank in Saudi Arabia which issued the guarantee for the Swiss the Communications Ministry at first said the bond was being called because the Swiss still had debts in the kingdom and later declined to give the reason. The bank concerned paid out the equivalent of \$935,220 and has been trying to recover the money in Switzerland from the counter-guarantors. At the time the Swiss bond was put up the regulations permitted a ministry to ask for a 10 per cent bond. It was only the second bond ever called in the experience of the bank concerned.

Another hazard for the banker in the performance bond tangle is the question of a contractor's continuing liability after work is complete. This can extend up to 10 years which, in view of the short life span of many buildings constructed in the kingdom, has been a matter of concern. Egypt has similarly gone for this decennial liability concept.

Decennial liability essentially provides that for 10 years after completion of a structure, the contractors and consultants are jointly and individually liable for any defects and for resulting damage, regardless of fault. Insurance against such liability is only usually available for small-scale projects and the only remedy appears to be to negotiate within the contract for arrangements to circumvent it.

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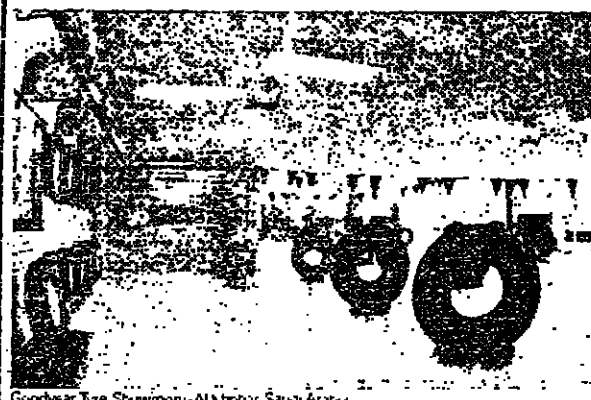
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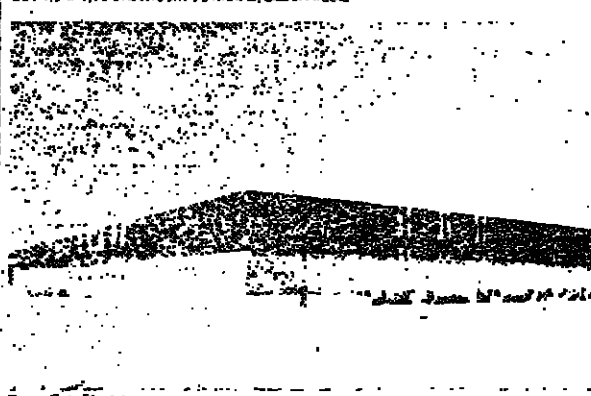
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Jim Bodgener outlines the main construction projects and the budgets available to implement them, and Anthony Davis, editor-in-chief, 'Middle East Construction', assesses the emerging competition from local contractors

Insuring against the dry years

At the end of a decade dominated by the boom in public service construction, funded by massive hydrocarbon revenues as oil prices spiralled upwards, the jumbo project market in the oil-rich countries of the Middle East has produced a changed emphasis, from general public services to the development of an industrial base as insurance against the day when the oil starts to run dry.

Nowhere is this more clearly illustrated than in the allocations made to industry in Saudi Arabia's vast £40,502m third five-year development plan, running from 1980 to 1985, which have risen by 12.2 per cent to 37.3 per cent from the second plan, while joint ventures using technology supplied by Western partners, which often receive a guaranteed supply of gas or oil from the Middle Eastern state as part of the deal.

Much of the planned industrial spending in Saudi Arabia will go to the giant complexes planned at Jubail and Yanbu, and the past 18 months have seen the conclusion of agreements by Western multinationals for important petrochemical and metals plants with the state-owned Saudi Basic Industries Corporation (SABIC), and extensive on hydrocarbon refineries with the export General Petroleum and Refining, rather than crude Mineral Organization (Petro-

min), under the aegis of the Royal Commission for Jubail and Yanbu.

Jubail and Yanbu are mirrored on a smaller scale at Ruways, in Abu Dhabi, where another parastatal organization, the Abu Dhabi National Oil Corporation (ADNOC), intends to develop an industrial complex over a 10-year period at an estimated cost of £8,500m.

But despite fears to the contrary, public service construction is by no means over in the Middle East, and industrial development itself generates more building work. At Ruways, for example, there are plans for a number of ambitious projects: important crude export schemes are still moving towards fruition.

Among these is the planned extension of the Red Sea pipeline from Algeria to Italy, by the construction of a link to Greece. The £1,000m estimated cost is likely to be funded by the Greek Government and Greek banks, Ecu and OECD soft loans, and export credits from Italy.

Development in Arab countries, which lack the oil money to carry out comprehensive long-term regional development plans, will continue to rely on Western and Arab aid, loans and commercial investment.

With Egypt's balance of payments surplus this year hanging on a new three-year extension of credit from the International Monetary Fund, important projects will continue to be funded from a mixture of these sources for some time to come.

Contractors bidding for a £200m water pipeline linking the Nile with Suez and the Canal Zone, for example, will have to provide all the local and hard currency costs, at 3 per cent interest over 30 years. French finance will back the construction of the Cairo metro, and a British group including Tarmac will put up the external finance for the £280m West Nuberia sugar scheme.

Coupled with remittances from expatriate workers in Saudi Arabia and the Gulf, Jordan's major development plans depend even more heavily on aid, which has increased from £125m in 1975, to £441m in 1979.

The largest public service scheme centre on the irrigation of the Jordan valley. Contractors are bidding for the construction of the £350m

Magasin dam on the Yarmouk river, and at the feasibility stage is a huge scheme to draw off water from the Euphrates river. Elsewhere in Jordan, contractors' attention is focused on the £210m first phase of Yarmouk University at Irbid near Amman.

Morocco and Tunisia also rely very much on outside Western and Arab finance, while the stakes of North and South Yemen are almost totally dependent on loans and aid, although their development projects are small in comparison with their neighbours on the Arabian peninsula.

Inter-Arab funding has become an important source of income for these countries, and a steadily increasing flow of funds from oil-rich relatives to their less fortunate cousins. A more tangible development is the movement of some long-planned big-scale projects, particularly in the construction of a new airport at Marrakech, Morocco, and a new port at Tunis, Tunisia.

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Local contractors are being favoured

The growth and increasing competence of local contractors in the developing Arab world has added a new dimension to the fiercely competitive Middle East construction market. The bigger construction spenders of the Arabian peninsula are quickly developing indigenous capabilities in many areas, and the trend towards self-reliance is actively fostered and encouraged by governments.

In Saudi Arabia Dr Ghazi Pharaon, chairman of REDEC (Saudi Research and Development Corporation), sees a good future for Saudi companies. He also predicts that development of the private sector will generate a great many smaller building contractors. Local industry is encouraged either by breaking large projects into smaller units to enable indigenous contractors to participate, or by encouraging foreign contractors to take local partners (joint ventures) for government programmes. The Royal Commission for Jubail and Yanbu led the way, splitting its massive schemes for the benefit of Saudi companies.

At the same time increasingly knowledgeable officials are tending to prefer closer personal control rather than handing out overall management contracts.

The Royal Commission has led the way in favouring local firms as a matter of policy. Joint venture partnerships submitting tenders for work have also to complete questionnaires on the proportions of ownership and on the number of Saudi Arabians in the work force. Some contractors have said that other government agencies and ministries have established the same system, basing much of their choice of bidders on a sliding scale of local involvement.

Some reports suggest that this method of selection has reached the point where a foreign company without specialized skills and not already in the kingdom would find the chances of participation rather slim. Broadly speaking, Saudi Arabian construction companies can be divided into two main categories: those companies which actually carry out the work and tend to have foreigners (often Lebanese, Syrian or Jor-

danian) in great management numbers, and those which reflect the traditional Arab attitude towards construction. The latter are the most numerous (though not necessarily the most successful) and tend to be subcontractors on a commission basis. Their contract management forte largely involves negotiation and liaison with government agencies.

It must be remembered, however, that the local construction in Saudi Arabia is little older than half a decade. With some notable exceptions the scope of the work they undertake is limited—quite often to such basic jobs as carpentering. Local management skills are not yet properly developed and control over performance and cost is often negligible.

Among last year's more successful Saudi companies was Al-Rashed Trading & Contracting which is building two reservoirs, a water tower and a pumping station in a contract valued at \$165m. Earlier this year Saudi Consortium, secured one of the biggest contracts so far awarded during 1980. The consortium (Binlad, Saud Bin-Bin, Al-Fahad, Kaud, and General Agencies Company) is building the 6297m first 44km section of the 100 metre-wide dual carriageway Riyadh-Makkah road.

But the strongest competition comes from the biggest contractors and these require more specialized skills and advanced technology, cost-consciousness and the increasingly numerous and bigger joint ventures companies. Contractors working last year by this group included construction of a \$500m government centre in the Eastern Province by Saudi Oger (Cicconest of Saudi Arabia and Oger of France). This year's contract, which includes a \$45m contract to build concrete bridges (awarded to the Saudi-Greek venture JSC-Edok-Breac), and a \$247.54m contract for housing and community facilities (awarded to a Saudi-Korean-Lebanese venture).

The emphasis placed on maintenance in Saudi Arabia's new five-year development plan (a concept previously disregarded in the Arab world) is likely to generate a great deal of work. As yet, there is little

indication of any trend towards the development of local maintenance abilities. In fact, the British Building Materials Board, Building Materials Research Group, have the problems in common. Their contractors tend to be high as they can often be competitive only if protected by a 20 per cent customs tariff. Saudi contractors are having difficulty in maintaining consistent quality standards, delivery schedules (often because they rely on imported raw materials). Indeed, they are weak in terms of marketing and sales, and lack the necessary manpower in the construction industry. Some contractors are struggling to become independent producers with varying degrees of success. Restrictions on the movement of construction workers across borders are hindering competition with local manufacturers or assembly. In other cases, maintenance must be simpler, is now well established in the Arab world. Indeed, less well-known details of production of built-up reinforcement mesh is available in at least two factories. A fairly rapid growth in the industry is being reported.

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Construction work on the quay at the port of Yanbu.

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A crane is manoeuvred alongside a building platform at the expanding port of Jubail.

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Business risks grow as competition and contract demands continue to stiffen.

John Whelan, deputy editor, 'Middle East Economic Digest', examines the pitfalls from the points of view of foreign contractors and bankers

Advance payments are big incentive

The biggest financial incentives in Arab contracting are the generous 20 per cent advance payments made to construction companies and consortiums operating on the big projects. The cost-free mobilization funding which they represent is one of the best financing arrangements available in the world.

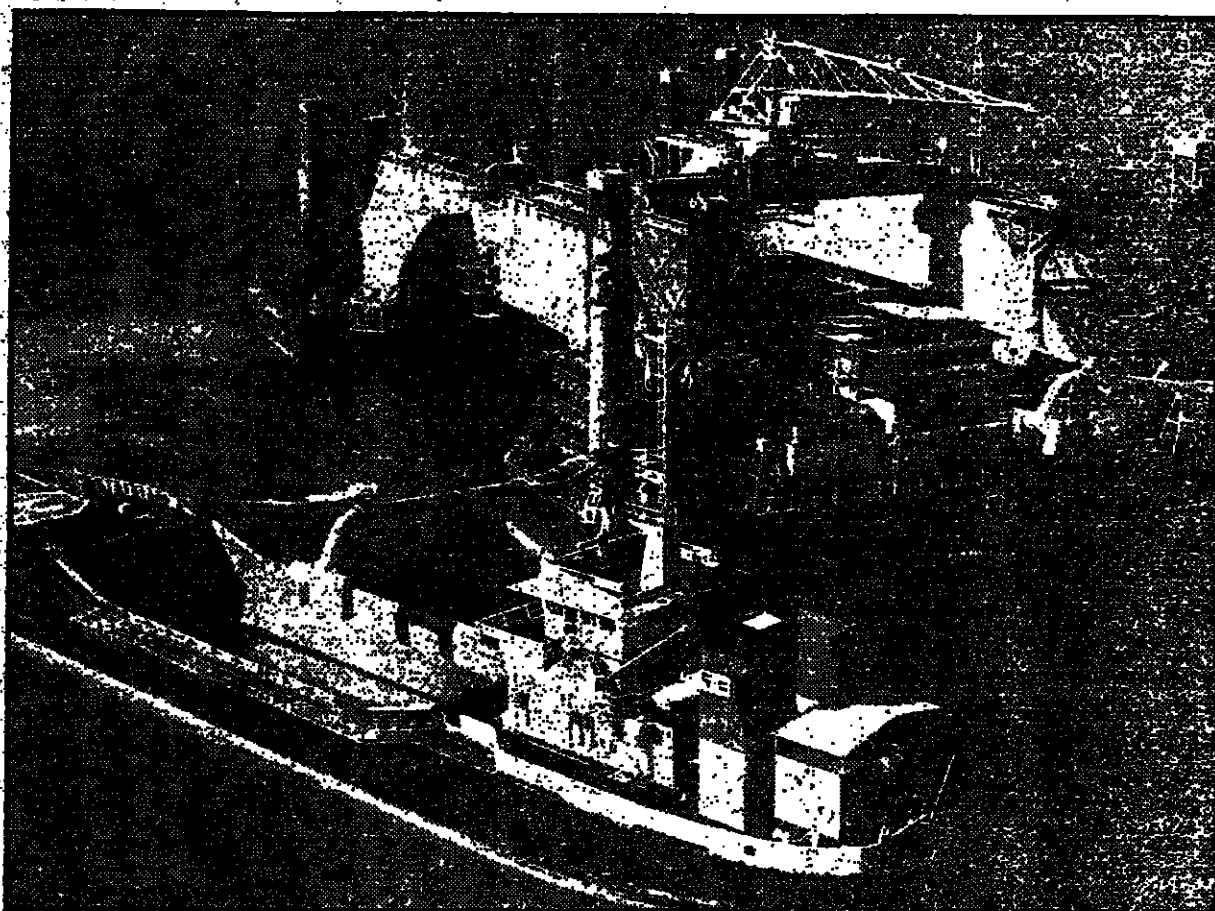
Without such an inducement it is doubtful, for example, whether the consortium which built the 66-hectare industrial harbour at Jebel Ali, outside Dubai, on the Gulf coast, would have been able to invest in the equipment and machinery necessary to complete the job to a punishing schedule.

Jebel Ali harbour was started in 1976 at a time of high levels of inflation locally. Yet even now that inflation is down to single figures in many Gulf countries, bottlenecks still remain. Port congestion, for example, thought to have been eliminated, is plaguing imports. In Saudi Arabia one contractor working for the United States Army Corps of Engineers recently estimated his mobilization costs on items such as worker accommodation and equipment, at nearly \$40m. As he reflected ruefully: "That was not good for our cash flow in the early stages."

When the honeymoon is over and a contractor has digested the financial advantages of the advance payment, reality often sets in. The serious problems surrounding delayed payments seem intractable and get no better as bureaucracies improve in other respects in Gulf countries.

In 1979, shortly after the Queen visited a prestige British-built hospital in Qatar, the contractor was forced to withdraw from the site. The Doha Government has a reputation for parsimony which sometimes is carried to extremes but in this case it took the British company several weeks before it could resume work and get labour back on site. Such action is rare but national contract (FIDIC) is common for contractors, especially where there are experience delays of any kind from 30 to 60 days in payments. Some of the smaller Gulf emirates such as Sharjah owe large sums to contractors. Even in the richer states such as Saudi Arabia payments are traditionally seasonal towards the end of a budget period.

By this stage in Arab contracting—which started to boom after the 1974 first big round of oil price rises—the most conspicuous companies with any export experience of the market allow



A dredger clearing the approach to the port at Jebel Ali.

for delayed payments. However, the question centres on the declining markets with less new work emerging each year, and how long the contractor can carry his receivables.

The underlying principle of Arab contract law is the *sharia* and the Arabic version of a contract or agreement is usually the binding word. This has sometimes resulted in disputes over the scope of work.

A Dubai-based quantity surveyor says: "FIDIC is used in 99.5 per cent of contracts, but we usually make variations because FIDIC is particularly vague on payments. We use the RIBA (Royal Institute of British Architects) form as a basis for payments in 90 per cent of cases."

The UAE, which attracted 24 per cent of the world's top 200 contractors in 1979, has a more or less standard approach to contract condi-

tions for project work: 10 per cent performance bonds, 10 per cent retentions, with 5 per cent released after partial completion of the maintenance period, and 5 per cent at the end of the maintenance period.

Advance payments are less standard than in Saudi Arabia, varying from 10 to 25 per cent, but Saudi practice is followed and in Abu Dhabi a company which is more than 51 per cent locally owned will always qualify for an advance payment.

In theory grievance procedures exist in most Gulf countries. The Jiddah Grievance Board is the most formalized but contractors rarely seek redress at that level. A Jiddah-based contractor says: "Liquidated damages are not applied on the whole. It seems alien to the Arab way of doing things; usually by the time a building is opened everything has been sorted out."

An important decision for international contractors has been the move by the Saudi Government to express contracts valued at more than 300m rials (\$38.6m) in dollars or another international currency acceptable to the contractor. This has the effect

of deflating the forward market for Saudi rials, which has grown up in Bahrain, where offshore banks service the Saudi market. There may also have been benefits for the contractor.

Between 1977 and 1978, in particular, the purchasing power of the "safe and strong" Saudi rial fell considerably in relation to the Deutsche mark, guilder and yen and to a lesser extent against sterling. It was fairly stable against the dollar since the rial is tied to a basket of currencies in which the dollar has a 33 per cent weight. The unpredictable changes cost many contractors lost profits.

Now the denomination of contracts in dollars has had the result of easing the exchange risks as well as achieving the Saudi Government's aim of preventing the internationalization of the rial. Given the lump sum, fixed-price preferences of the Saudi Government in contracts the contractor has been relieved of the burden of projecting the relationship between the rial and the currencies in which he pays his job expenses. As one contractor said: "We only have the dollar to worry about and that's enough."

What has eaten into contracting profits in the Arab world more than any of these factors has been the growth of competition. Most contractors say the yield on revenue and turnover in Saudi Arabia—the biggest market—is running at between 5 per cent and 15 per cent. The Korean and Asian contractors will undoubtedly settle for less.

Some recent pricing by Korean contractors anxious to maintain full order books is described as "suicidal". There is also a growing tendency to negotiate after the opening of bids, which is a reflection of the growing competence of civil servants, but has had the effect of making margins even tighter.

Given these factors what is the outlook? From the contractor's viewpoint, the market has become more rational but competition has increased. The imponderables are those which the contractor is unable to control: political risk, payments delays and, most of all, growing competence in government ministries and agencies leading to tougher supervision of the contractor and cost consciousness on behalf of the client.

The financial giants' causeway

The array of more than 40 bids submitted for the \$800m Saudi Arabia-Bahrain causeway at the end of June triggered chain reactions in many of the big international banks involved in the Middle East. Once the engineers have finished costing any one of the dozen or so mega-projects which emerge each year in the Gulf, bankers take the stage. By November, when a decision can be expected on the causeway offers, the key financing issues will have been decided. Later, when the prime stones appear in the financial press with the participating banks arranged in a neat pecking order, it will be possible to guess at what went on behind the scenes in London, Frankfurt and Tokyo.

The Saudi-Bahrain cause-

way, although it has gripped the contracting world's imagination and set off a heated debate about the merits of steel configurations as opposed to concrete, is dwarfed by some of the other projects being undertaken in the kingdom. In 1979 Saudi Arabia was the most popular Middle East market, attracting 53 per cent of the free world's 200 leading contractors. The Saudi approach to contract finance is a yardstick for other Gulf countries and has a pervasive influence elsewhere.

The Saudi Government's regulations on bid bonds, performance guarantees and advance payment guarantees no longer rouse the fears which they used to engender for many bankers. With the generally more rational approach that the Government has taken since the immediate post-1974 oil boom, the financing is-

subsidies also seem to have become less difficult to resolve.

One reason is the growing familiarity that the international banks are developing with the market. Another is their penetration of the Gulf and Saudi Arabia. Bahrain as an offshore centre is a haven for more than 70 banks. About a dozen international banks are known to have unofficial representative offices in the kingdom.

These are discreet presences since generally speaking the Saudi Arabian Monetary Agency (SAMA) is reluctant to allow official representative offices. This is part of an attempt to stop the internationalization of the Saudi rial. Pioneering work was done by a number of banks in educating contractors about foreign exchange risks in contracting, which process the Bank of America made a significant contribution.

To ease the burden on the two wholly owned Saudi banks SAMA has issued a list of 100 banks around the world whose status as letters of credit providers they are confirmed by a Saudi bank which will charge a confirmation commission of about 1 per cent a quarter, payable quarterly in advance, which has the effect of doubling the cost of the guarantee at the Saudi end.

The Saudi Government once required that the letter of guarantee be issued by a Saudi bank. Before it would do so, the Saudi bank would require that the foreign bank issue a standby letter of credit in its favour to back up its own guarantee

to the client. After 1976 this rule was changed.

A second point on which there has been confusion is the "on demand" feature contained in the required wording of the stand-by letters of credit. The text does include a clause which allows the Government to draw against the letter at any time. This has been criticized and, indeed, abused in other Arab countries notably Libya, for having the effect of a "blank cheque".

The only defence which can be advanced for the "on demand" clause is that the contract usually contains provisions which protect the contractor. A banker with considerable experience of Saudi financing, Mr. Fakrudin Khalil, of UBAF American Bank in New York, says: "While it is essentially true that this is a blank cheque, the contractors' fears of an arbitrary drawing by the Government have been exaggerated."

The performance bond is usually where the blank cheque aspect causes most concern. It is a guarantee for an amount usually equal to 5 per cent of the contract value. It is put up by the contractor against satisfactory performance and the conventional wisdom is that it is almost never called even if things go wrong.

From the Government's point of view, capricious calling of performance bonds, which the Libyan Government is alleged to have done, would damage relationships with foreign contractors. It also means expensive and time consuming retendering. Yet in 1979 the Ministry of Communications, which is to be the guiding ministry on the Bahrain causeway, felt obliged to move on a Swiss consortium which had a \$9.3m roads contract. It appears that the consortium's difficulties reflected Saudi inflation (though now to be in single figures), the

rise of the Swiss franc, port congestion (now said to be eliminated), and underbidding in the first place.

The contract was also to the fixed price lump sum formula favoured by the kingdom, which rarely allows indexed, contracts or cost plus contracts, except in the oil sector where the country's principal oil producer and operating company, Aramco, is rather more flexible.

It appears that in correspondence with the bank in Saudi Arabia which issued the guarantee for the Swiss the Communications Ministry at first said the bond was being called because the Swiss still had debts in the kingdom and later declined to give the reason. The bank concerned paid out the equivalent of \$935,220 and has been trying to recover the money in Switzerland from the counter-guarantors. At the time the Swiss bond was put up the regulations permitted a ministry to ask for a 10 per cent bond. It was only the second bond ever called in the experience of the bank concerned.

Another hazard for the banker in the performance bond tangle is the question of a contractor's continuing liability after work is complete. This can extend up to 10 years which, in view of the short life span of many buildings constructed in the kingdom, has been a matter of concern. Egypt has similarly gone for this decennial liability concept. Decennial liability essentially provides that for 10 years after completion of a structure, the contractors and consultants are jointly and individually liable for any defects and for resulting damage, regardless of fault. Insurance against such liability is only usually available for small-scale projects and the only remedy appears to be to negotiate within the contract for arrangements to circumvent it.

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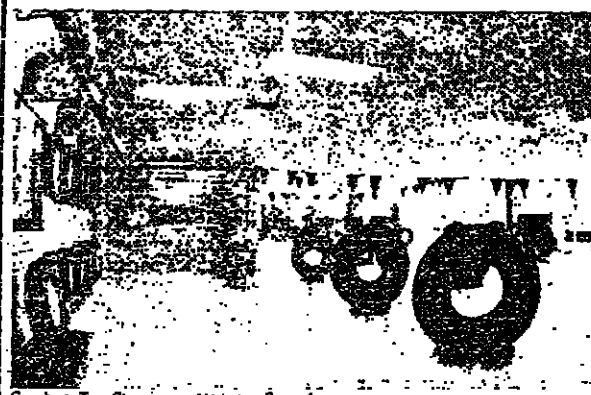
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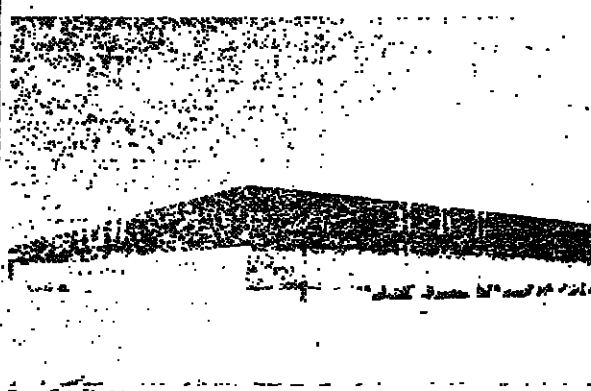
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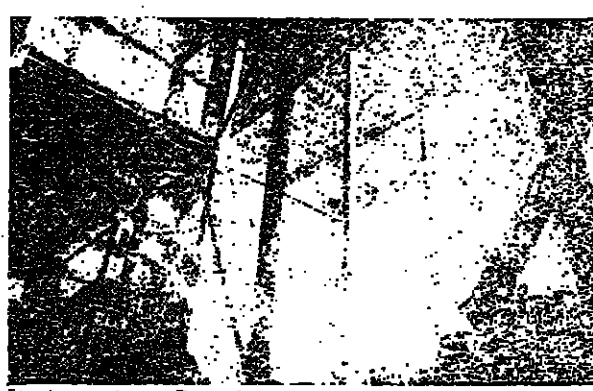
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All professionals in construction - whether architect, quantity surveyor or consulting engineer - face similar organizational and professional problems if they wish to establish or keep a presence in Middle Eastern countries.

The first wave of hectic development is being succeeded by more orderly methodical plans; the social and economic aims of projects now in the conceptual stage are likely to have been evaluated very critically, and alternative methods of putting them into effect appraised without frenetic haste and without targets for fast completion that dominate all other issues. This deliberation and increasing fund of experience in development is very encouraging for the professional, especially the consulting engineer whose activities, of course, are on the greatest scale, by far, of the three.

Consultancy services are essential in such an approach to development, and are likely to become more effectively applied when the

Foreign contractors have had difficulties in the Middle East over the past two years. The cash flow crisis of two years ago in the Arab world resulted in a sharp reduction in development programmes. Contractors suffered; they had to contend with increasing payment delays and indefinite postponement of contracts already agreed.

Since then the domestic markets of most foreign contractors have shrunk, as the world recession has deepened. It has led to a huge overcapacity of the construction industry throughout the world, and has intensified the fight for contracts in the Arab world.

British, French, German, Italian and American contractors obtained work of far less value. The Koreans were able to sustain their quick growth, but even these Asian contractors have now been affected, although they remain the market leaders.

The Arab market is beginning to improve again. With an estimated current account surplus of \$100,000m. for 1980, the Arab oil-producing countries are expanding their development programmes. Oil surpluses, far greater than those generated in 1974-75, are now expected for the early 1980s.

There is unlikely to be a return to the heady days of the mid-1970s, when work was plentiful and comparatively easy for foreign contractors to obtain. Market conditions and the market's structure are changing.

Ex-colonial links which once gave almost exclusive markets to countries such as Britain, France, and Italy are breaking down, and the Arabs are keen to give as much work as possible to local companies.

Britain relied heavily on the United Arab Emirates market, which is now diminishing as most of the construction of services is complete. The workload of British contractors is likely to show a large drop for the

clients - those responsible for initiating the development - are experienced and applying critical appraisals. The package deal is, therefore, likely to be less popular and the approach relying on the professional to be not only more in favour, but less distorted by practices such as fee-competition in bidding for jobs and local lobbying.

That does not imply that the future of the construction industry will remain so for a long time. In the Middle East, the consultants had, and still have, a big

role and tremendous impact. It is true that many of them helped to develop these countries and are honest and sincere to their clients, but this does not always mean that the others were dishonest on purpose, but I can frankly say that they were not capable of handling many projects in the area. In planning, and particularly in long-range planning, many consultants were not up to a high standard in their performance.

"Look at any city in the Middle East and examine the airports, transport, sewerage, water supply, health facilities, schools, centres, parks and recreation facilities, industrial parks and agricultural development. Much of the work that the consultants have done will bring them pride or honour. However, airports are to be replaced, streets are to be widened, water supply, and sewerage are to be replaced, and many are in bad shape."

The professional will have to adapt to take advantage of the opportunities that will be presented to him. One likely, perhaps essential, evolution is to form a joint venture or some sort of mixed ownership with local and expatriate partners. Local knowledge and presence remain important factors, and the firm that succeeds will necessarily attain high standards of performance, and will necessarily have a good representation on the spot.

The greatest opportunities lie in Saudi Arabia. There will be a great deal of work there for many years. The scope of some projects will be awesome, great and probably essential. A doubling of the rate of investment in projects of interest to the professional construction can be expected in Saudi Arabia in the years ahead, coupled with a demand for higher professional standards in their execution and joint working with local and foreign professionals.

J. H. Stephen
editor
Consulting Engineer

Consulting engineers

Contractors



financial year 1979-80 when results are announced next month. The contractors have the difficult task of expanding into Saudi Arabia - by far the largest market - and into Algeria and Iraq, which have ambitious development plans.

The Koreans are tackling the problem by seeking joint venture contracts. The Korean Overseas Construction Corporation is touring European countries seeking joint ventures for the Middle East.

Perhaps such schemes are the most likely to succeed in the new phase of development in the Arab world.

Tony Sutton
news editor,
Construction News

Cost consultants

The cost consciousness which is gripping Arab ministries and government agencies in dealing with foreign contractors is long overdue. In the period immediately after 1974, when oil revenues provoked a rash of spending on expensive services, the role of the cost consultant was too often ignored. Now that most countries have embarked on a second phase of development, many of the lessons of the past have been digested.

A good example of the new atmosphere on the Arab market is afforded by the four months of negotiations between the Saudi Water Conversion Corporation, which supervises desalination schemes, and a low bidding consortium headed by Mannesmann of West Germany for the 225m Jubail-Riyadh water pipeline. The four months of talks resulted in the consortium reducing its price by 25 per cent. The corporation had, two months before the contract award in July, barred four leading international contractors from bidding on another project, on the ground that they had submitted "inflated prices".

Low prices, particularly by South Korean contractors, have been responsible for some of the gloom which has gripped the market recently. But for a private project in the UAE this year came in at 15 per cent below the estimate made for the client by the cost consultant. It was a case of contractors desperate to stay in the market discounting to the extent of being prepared to take a "loss leader" to stay in business. In this sort of environment, some of the big name contractors of the early 1970s have cut back their operations or effectively retired from the market by leaving behind a small lowly capitalized joint venture with local contractor to carry on tendering.

Low prices, including that offered by a South Korean company for the construction of a headquarters for the Defence and Aviation Ministry in Riyadh which has been described as "suicidal", are one side of an equation. To the cost consultant, advising a client, they represent another. Most consultants agree that recent developments, particularly in the rich, oil-producing states, make lower tenders feasible. Single figure inflation is common in the Gulf states and Saudi Arabia; cheap labour is available on

long contracts from the Far East; price stability exists on local purchases, with many contractors able to take advantage of subsidized inputs such as cement and reinforced bar. Construction equipment has improved and a good secondhand market exists; there are reasonably modern work camps and other support facilities available.

The cost of construction has if anything come down during 1978-80 in most of the big markets. Cost consultants are trying to allow for the fact that many of the oil-producing states have successfully invested in downstream industries and have achieved self-sufficiency in many construction materials. The widely criticized spending on cement factories in the UAE has had the effect of almost eliminating the need for imported cement.

In Qatar the Qatar Steel Company is manufacturing enough reinforced bar to suit the local market as well as a significant proportion of the Saudi demand as well. Evra Ras al Khaymah, at the eastern end of the Gulf, has contributed to lowering construction costs with its investment in aggregate quarries, cement plants and a lime factory which has found an export market in Kuwait and Iraq.

Construction costs per room for hotels in Dubai are estimated at between 150,000 dirhams (£17,441) a sq metre for low quality, 375,000 dirhams (£43,604) a sq metre for high quality. D. G. Jones and Partners, the British quantity surveyors and cost consultants, estimate hospital construction at about 650,000 dirhams (£75,581) a room and banks at about 4,500 dirhams (£523) a sq metre. Residential and commercial buildings can come out at as little as 1,100 dirhams (£127) a sq metre.

Cost consultants, particularly from Britain, have established an enviable reputation in markets where British quality has long been accepted as the standard for the construction industry. Lately there has been a trend towards government agencies, particularly the military, acting as their own consultants. In general, British consultants have survived, even in difficult markets, because of their reputation for straightforward dealing.

John Whelan

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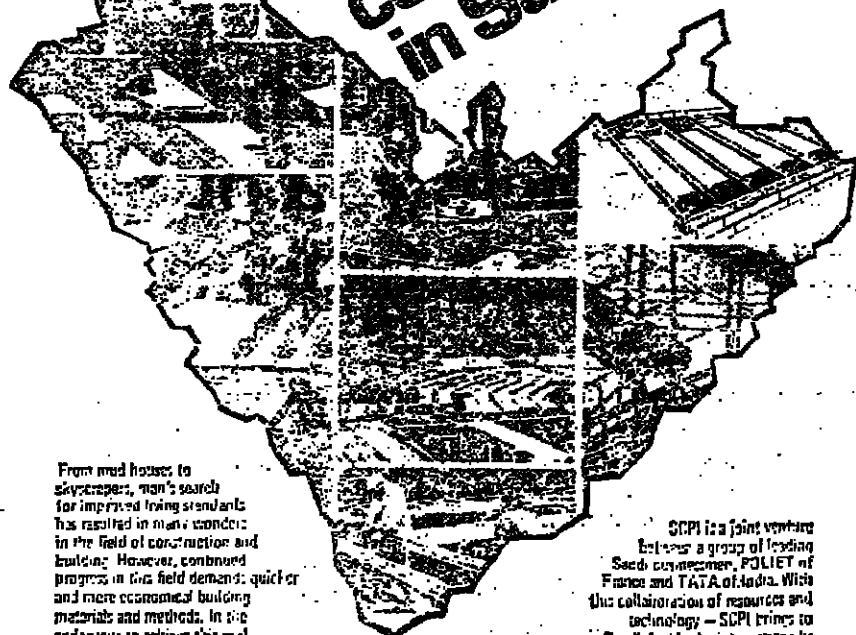
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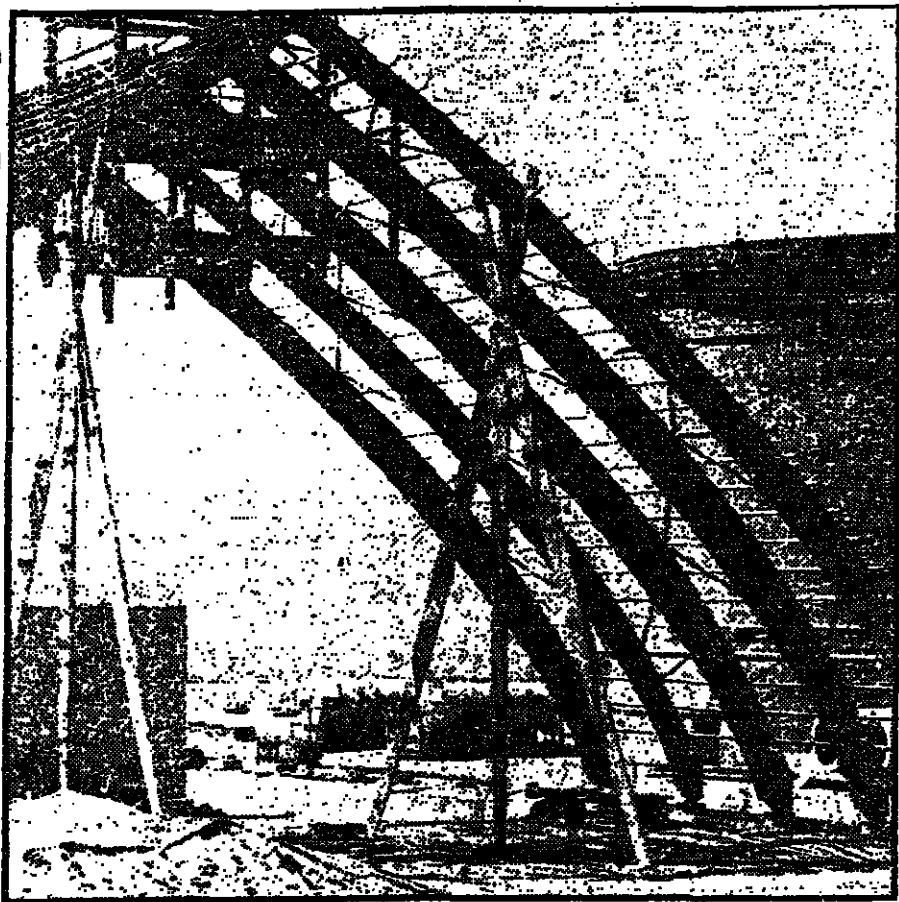
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Some of the projects planned or under construction will revolutionize the economic and sociological climates of the regions they are intended to benefit. Anthony Davis examines four

Aqaba, Jordan



Construction at an Aqaba fertilizer plant.

Jordan's Aqaba region, on the Red Sea, has considerable development potential. As Jordan's only port, it has grown and its traffic has greatly increased through the general economic progress of the Middle East region.

The recent Iraq-Jordan cooperation agreements include, among joint projects, a railway between Aqaba and the Iraq city of Aqaba. Further expansion of the port facilities and construction of a road network linking the port with southern and central Iraq. It is hoped that the mixture of Jordanian free enterprise and Iraqi socialism in these projects will bring mutually beneficial results.

The Aqaba region is arid and sparsely populated. Mineral resources include copper, manganese, glass-making sands and feldspar. But the chief resource is the Gulf of Aqaba itself—an outlet for waterborne traffic and a tourist attraction because of its climate and spectacular coastline.

The primary importance of the region as a site for future development stems from its transport routes for carrying goods to the port and it is a logical site for development of plant processing of raw materials and for manufacturing.

A consultants' study, commissioned by the Jordanian Government and the World Bank, has reviewed a range of possible activities that may be promoted. The consultants, Dar Al-Hadad, with Tippetts-Abbett-McCarthy-Stratton, made a number of recommendations.

The pattern of development which has emerged from their plan is primarily concerned with three areas of economic activity—the manufacture of phosphate fertilizers, the port of Aqaba (including the Free Trade Zone to function primarily as a transit zone), and the tourist industry.

Aqaba and the south coast have been planned as a single urban entity: urban Aqaba includes the tourist area lying west of the town, and the south coast incorporates the main tourist development.

Starting about 1982, a satellite community with a population of about 14,000 will be provided by 1980 to house employees in the tourist area and in the heavy industrial zone.

The south coast area has been planned to take tourist accommodation over 1,000 eight kilometre stretches to be developed in three phases. It will consist of clusters of activities linked by less intensive uses along the shoreline. It is expected that the initial development will be fairly small in scale and that major growth will occur in the mid-1980s.

The heavy industrial area for the 325m chemical fertilizer plant and other possible uses is separated from the tourist areas by topographic features along the coast and surrounding valleys and hills. The Jordanian Government, in its own right and through the Jordan Phosphate Mines Company, has a 51 per cent share in the Jordan Fertilizer Industries company that will operate the fertilizer plant when it is completed in 1981.

In the tourism sector, most hotel-building is undertaken by the private sector, with government taking a minority share in some of the larger schemes. A Canadian firm has studied a large inland lagoon water sports and leisure complex as part of a \$25m project.

For agriculture in the region, studies revealed that such development in the Qawra-Qa Digi area would not adequately support the existing population. But in the Dhi-Ram area, plans are proposed for development to guide the growth of the agricultural settlements springing up in response to the irrigation scheme in Qa Digi.

British consultants Rendel, Palmer and Tritton recently headed in their detailed feasibility study on the Aqaba container port project, which is expected to come into service early in 1982. It is understood that the port will be sited about three kilometres south of the main port on the Red Sea which will be invited later this year. Joint ventures between local contractors and foreign contractors will be favoured.

Work on the \$60m expansion project at Aqaba port's general cargo area (apart from the phosphate loading berth) is almost completed.

Aqaba is vital to Jordan's economy. In 1975 the port handled 682,000 tons of imports. By 1979 it was handling 2,300,000 tons, and the estimate for this year is 3,800,000 tons. This will include 1,500,000 tons in transit to Iraq, demonstrating the regional significance of Aqaba and the importance of the Iraq-Jordan agreement. Projected annual import handling capacity for 1981 is five million tons.

Exports through the port have increased on a similar scale. In 1975 they were 870,000 tons and are expected to reach four million tons this year. These exports are almost exclusively in the form of raw phosphate rock and are handled at separate berths.

In 1978, to ease congestion during this period of rapid economic development, Aqaba port bought two floating berths from Ishikawajima-Harima Heavy Industries. They are scheduled to be developed for clearing in 1982, when the floating berths will be used for completion.

The floating berths future is unknown but they will probably be sold having completed their task of handling facilities during construction of permanent berths. Also planned for Aqaba this decade is a new 300 MVA power station and allied desalination plant.

Kassiom, Syria

Proposals for urban development around Mount Kassiom, north-west of Damascus, have been made after pressure had been exerted for the provision of new housing to absorb some of the Syrian capital's expanding population. Proximity to central Damascus and opportunities for exploiting the mountain for recreation and tourism inspired the Government of Syria and the municipality of Damascus to commission Britain's Shanks and Cox Partnerships to study an area of 26 sq km bounded by the ridge of Mount Kassiom and the parallel ridge of Dahr el Khazir. Including the Barada Valley and the Wadi el Rih.

Shanks and Cox prepared a strategy for the area, including housing for 100,000 people, equal to about two and a half years' growth in the population of the city of Damascus, and a tourist complex on the mountain ridge at Awas el Rih is also proposed. The plan also includes suitable social facilities and appropriate opportunities for recreation and tourism.

The main features of the master plan include two areas of urban development, a small town village, and a tourist complex. The urban development is made for housing families of different income groups to ensure that there is a balanced community structure. High income families will be accommodated in low density zones of 25 dwellings per hectare in the form of villas and luxury flats to be built by private enterprise. Middle income areas will be developed at 45 dwellings a hectare in the form of terraced flats, maisonettes and houses, built mainly by co-operatives. Lower income areas will be built at an average of 65 dwellings a hectare by the municipality in the form of blocks of flats with communal outdoor spaces.

A wide range of shops, services and public amenities will be located in streets extending through the urban areas. Most of the social and community facilities, such as schools and clinics, are close to the urban areas, integrated with commercial development to provide easy access for the whole population. The plans provide about 10,000 job opportunities—26 per cent in the industrial sector and 46 per cent in the services sector. The urban areas are concentrated along the commercial streets. The consultants also propose that the municipality of Damascus should be linked by cable car to Damascus city centre via the tourist village.

Provision for recreation includes small local parks, large parks and sports areas for the residents of Kassiom, and general facilities for the whole of the Damascus population. The latter will include a botanical garden and a zoo in the Barada Valley, and landscaping on the mountain top and a tourist complex on the mountain ridge at Awas el Rih is also proposed.

Syria's population is growing by about 3.3 per cent a year and pressure on schools and hospitals is increasing. State investment to deal with these problems has been increased, and the new five-year development plan (1981 to 1985) now in its final stages of preparation, is committed to encouraging private investment in new industrial and related projects.

But while urban expansion projects like Kassiom offer relatively short-term requirements, they are only part of wider regional policies for Syria's economic growth. Their aim will be to reduce the attraction of Damascus by spreading new large employment projects over other centres throughout the country.

Meanwhile, the Damascus population growth rate shows an annual rate of about 4.5 per cent and, in addition to the Kassiom development, progress is being made to modernize the city itself and to provide new housing, social and work opportunities. Plans are also in hand to coordinate expansion of Doumar, Maara and Tel.

Kenana, Sudan

One of the largest irrigation developments in Sudan, the Kenana Sugar Project, will bring an area of 50,400 hectares of the east bank of the White Nile River, 200 km south of Khartoum, into sugar production. The area covered is comparable in size to London within the green belt and will probably be the largest sugar plantation in the world.

The consulting engineer for the project is Howard Humphreys and Sons, of the United Kingdom. Britain's Shanks and Cox Partnerships are the planning and architectural consultants.

Such a massive project has carefully to be broken down into manageable areas. The arrangement of canals and resultant pattern of agriculture, therefore, provides a clear organizational framework. This is related to zones of the various irrigation water regulators and

the management areas for the plantation.

This in turn is reflected in the administration system set up by the Kenana Sugar Company. The plantation is divided into five agricultural management areas, each with its own separate administrative staff and technical facilities.

The main objective for the agricultural management areas is to provide settlements which give equitable access to a range of organizational and basic service facilities. Each farm village has to support minimum basic services such as water supply, health centres and schools. Two central farm villages have been developed for each agricultural area, one of which acts as the administrative headquarters, with workshops and housing for senior staff. Related to the central

farm villages are small satellite settlements which are located in relation to the agricultural management of sugar cane production areas. Each small village accommodates 50 households extended over an area of about 6.3 hectares.

This plan forms a system of interdependent settlements that support themselves, that relate to management areas and to the general planning of the project and the likely settling of a large number of immigrant workers. A township, situated on the south-west part of the site, is provided to accommodate the needs of the labour force for the seed and factory. The maximum distance for walking has been maintained as two kilometres from dwelling to place of work.

The total population estimated for the early 1990s,

when the project is expected to be in operation, 40,000. By 1990, this is expected to increase to 50,000, and by the end of the century there are likely to be 65,000 people living within the project boundaries.

Such is the pace of development in this region of Sudan that experts estimate a population of between 105,000 and 120,000 people in urban settlement generated by the Kenana Sugar Project and other agricultural developments in its immediate hinterland.

In addition, an estimated 40,000 people will inhabit the rural villages of the area. Collectively, therefore, the total population attracted to the area in such a relatively short time is likely to have considerable impact on existing resources—particularly such services as education, health and transport.

Subiya, Kuwait

During the past 25 years continuing development and urban growth have more than doubled the urban area of Kuwait. Indications are that this pattern will continue and that similar development will be necessary during the next 25 years.

Kuwait covers an area of 17,318 sq km of flat featureless desert, including the Bubiyan and Warba islands. The population at the 1975 census was 291,000. By 1985 it is expected to exceed 1,500,000. This unusually fast growth rate is the result of a combination of natural increase and high levels of immigration. During 1975 to 1979, Kuwaitis as a proportion of the total population, declined from 55.6 per cent to 47.6 per cent.

From the mid-1980s, at least part of the population growth is expected to be accommodated in new areas. A report prepared by Shanks and Cox Partnerships and Salem al Marzuq and Sobah al Hanna emphasizes the need to identify and initiate development in the new growth areas at an early date to absorb the expected overspill population and to accommodate substantially further growth in the 1990s.

The consultants' report examined a number of alternatives for long-term development and chose finally the self-contained new town concept, planned in a dispersed pattern at a distance from Kuwait City to be self sufficient in services and employment opportunities. The consultants advised that such a strategy would allow well designed, high standard urban environments and provide relief to overcrowding and congestion in Kuwait City itself. In addition, it is argued, such new towns will achieve more even distribution of population and employment throughout the emirate of Kuwait.

Of the two eventually recommended (Khor al Mufatra, 90 km south of Kuwait City, and Subiya Point, 80 km by road from the city), the coastal location of Subiya was chosen for an overall population target of 300,000. Two factors were influential in the final choice—land potential and current commitments and proposals. And from this analysis it was concluded that the site of Subiya was more attractive and presented better opportunities for development.

The total designated area for the new city is 20,000

hectares, of which about 14,000 will be required for the urban area and associated open space. The remainder will provide for growth and for extensive recreation uses along the south and east coasts.

It is a unique site and one that can be greatly enhanced by careful tree planting and landscaping—envisaged as an important element of the development process and complete separation of land phased in line with construction stages.

Trees will take the form of windbreaks and plantations of substantial size. Freedom of choice for a number of locations is given in the plan for those who urban areas as in the road network in Kuwait City. The who use them.

plan adopted for the new city is a dispersed alignment, but essentially linear. The various levels of activity have been distributed throughout the plan but their distribution has been related to the appropriate level of accessibility provided by the transport network from pedestrian and cycle routes to important private and public transport routes. The plan adopted for Subiya tries to avoid development process and complete separation of land uses, and therefore reduces distances between residential areas, places of employment, leisure and education.

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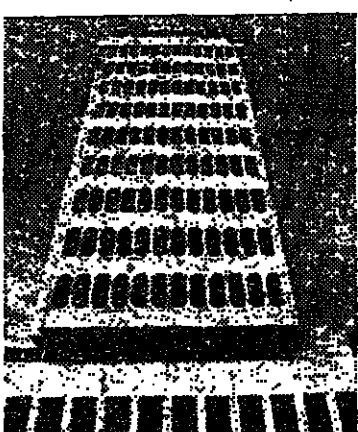
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RECONSTRUCTION AND STATE FOR HOUSING AND LAND RECLAMATION

DEVELOPMENT OF NEW COMMUNITIES IN EGYPT

"OPPORTUNITIES FOR INVESTMENT AND JOINT COOPERATION"



President Sadat and Vice-President Hosni Mubarak are listening to the explanation of Engineer Hassab Allah El-Nafrawi, Minister of Housing and Construction and land reclamation about the planning of the new cities.

I. The National Urban Development - Context - Problems - Facing Development

Egypt's population is estimated to have reached only 24 million at the beginning of the 19th century. Since then, it has roughly quadrupled twice, once during the 19th century and again during the last 75 years.

Population is estimated to reach some 66 million by the year 2000. Depending on different sets of assumptions, however, the projected population by the end of this century will range between a low of 68 million and a high of 70 million. The impact of rapid population growth on economic development in Egypt, as well as on the environment, is becoming increasingly acute in view of the largely inelastic supply of cultivated land and the long absence of resource planning, areas of potential studies and resources' discovery for new human settlements.

These limitations have resulted in a serious rise in population densities in the Nile Valley and the Delta (from 835 persons per hectare in 1960 to some 1,042 in 1975), to make Egypt one of the most densely settled countries in the world.

Population growth in the rural areas, which the agrarian sector cannot absorb, created an imbalance between population and land, and resulted in increasing migration to urban areas. The outflow from rural to urban areas has become worse by diminishing land holdings.

As a result, the urban component of the population has witnessed a more rapid increase than the total population, estimated to reach about 44% today. Currently, the average annual rate of urban population growth is over 4%. This trend toward a higher degree of urbanization, which is common in most developing countries, is likely to continue at a faster pace in the future. However, if this trend is not checked, a congested urban population, extreme shortages in the supply of housing and other basic urban facilities, will result in serious economic and social problems which are certainly unacceptable. Therefore, the Ministry of Development and New Communities is committed from economic, social and physical policies point of view to the concept of proper

infrastructure of an urban centre with efforts to create an economic base and industrialize the national economy.

The Central Agency for Public Mobilization and Statistics.

II. The System of Cities: Present Trends

The past forces influencing the shape of and leading to the stages of development of the Egyptian system of cities indicate a greater degree of primacy or skewed distribution of urban population in favour of Cairo and Alexandria. The share of these two areas of the urban population has steadily increased from 53% in 1950 to 58% in 1975. It is interesting to note that this trend of urban concentration in Cairo city has been partially at the expense of smaller cities and towns, the latter mostly located in the core of agricultural land and the Delta. However, it has also resulted in hierarchical imbalances in the present urban system in the nation, which is not acceptable economically, socially or politically. These qualities of urban spatial distribution are by no means unique of Egypt only, as they are particularly abnormal for its stages of socio-economic development. Indeed they are common spatial features of the early stages of development and moving from an agrarian or dual economy into a more diversified and industrial national economic structure.

III. Toward Comprehensive National Urban Development Policies, Plans and Programmes

With the full awareness of the Government of Egypt, the above problems and conditions of urban, long being Egypt today, the Ministry of Development and New Communities in coordination with other Government and private agencies, is currently formulating long, medium and short term, urban and regional development policies, plans and programmes addressed to:

- (a) Narrowing the gap between rural and urban areas in all fields in order to offset the negative effects of internal migration.
- (b) Developing a system of small and medium sized towns and cities in order that the spatial distribution of the population provides better making opportunities and efficient system of labour mobility

and hence, new sources of employment.

(c) Changing the urban hierarchy at the country and regional levels by influencing the destination choices of rural out migration. This is very true in the case of Egypt where—as mentioned earlier, the present system of cities in the country is not based on population rank in economic functional sizes. Indeed, it is characterized by an imbalanced embryonic structure easy to mould if properly planned.

(d) Connecting urbanization with industrialization and agro-industrial base. These elements and/or variables are connected if structural transformation referred to earlier has to come about—especially when we consider that urbanization is a powerful instrument of social change. However, we recognize that the force of this instrument is a function not merely of the degree of urbanization (i.e. the proportion of urban population, however defined to total population), but also of its structure (the orderly hierarchy of and the size distribution between cities).

It is an appropriate time to emphasize the serious social implication of urbanization without the prerequisites of an adequate investment towards a well developed urban hierarchical system to tackle the present development conditions and problems.

This is particularly true where new movement of religious orthodoxy and fundamentalism poses a clear potential danger to the fabric of many countries and societies in the region.

IV. Major Programmes and Projects of the Ministry currently Implemented within the National Plan Frame

1. New Towns and National Policy As stated earlier redistribution of population is already an accepted government policy. New towns are recognized as an important link in such policy and recent government actions testify to such recognition. In 1973 the Greater Cairo Planning Commission which, at that time, was the largest and best organized urban planning agency in the country was transformed into a general organization responsible for urban and regional planning in the country as a whole.

In 1977 a proposal was submitted to the People's Assembly calling for the establishment of an Organization for the Development of New Towns. The proposal stressed the significance that the government attaches to the role of new towns in the economic and social development of the country. In the fall of 1978 a new ministry was established and charged with the responsibility for the planning and development of new communities. The Ministry of Development and New Communities took over from the Ministry of Housing the responsibility for the General Organization for Physical Planning and assumed all the duties and authorities of the proposed Organization for the Development of New Towns. To enable it to perform its functions in an efficient and expedient manner the Ministry was freed from many of the red tape and routine bureaucratic restrictions especially in its dealings with local and foreign experts needed for the planning of new towns.

In summary, it is obvious that during the last six years government has placed a considerable emphasis on the development of administrative structure capable of handling the complicated task of assembling talent and resources for the successful development of New Towns in Egypt. But the real test of government's commitment to New Towns lies in the ambitious programme it established following the October War of 1973. As should be expected the liberation of the eastern bank of the Suez Canal shifted the emphasis in building and planning from the congested Cairo Region to the partially or fully destroyed and vacated cities on the western side of the Canal. The three cities of Suez, Ismailia and Port Said were treated as New Towns and were planned as such. As work progressed in the reconstruction of these cities and as life in them began to return to its normal pattern, emphasis began to shift towards the problem of overcrowding in the Cairo Area and the rest of the Nile Valley. To address this problem New Towns, Sadat City and the Tenth of Ramadan were initiated as a first step in the direction of moving urban development towards the desert regions. The two towns were located halfway between Cairo on one hand and Alexandria and Ismailia on the other. Both sites were easily accessible and were judged suitable for the location of new industries thus ensuring their economic viability.

In subsequent years two more towns were planned. Al Ameriyah El-Gedida south west of Alexandria and the Fifteenth of May to the east of the industrial suburb of Helwan. While the latter is only planned as a 150,000 persons industrial workers town, it is significant because it emphasizes government's interest in channelling future urban growth towards newly planned communities. The four new towns are planned to accommodate a total population of 1.65 million persons by the year 2000. This represents less than 10 per cent of the population for which new towns are to be built if the recommendations of the National five year plan are to be carried out. Later, a fifth town, 6th of October was launched. This city lies on El Wahat Road from El Fayoum Road about 32km west from Cairo with a target population of 330,000. Major economic activities for this city shown in Table 1 are those of tourism, light and medium industry and residential.

In other words these five towns are only the beginning of what could be one of the largest new towns programmes since the inception of the British New Towns policy in the late 1940s. The cur-

rent proposal for three new towns in the Cairo Region is, therefore, another milestone in the road towards making such programmes a reality. It also affirms government's commitment to the success and continuity of the new towns policy initiated in the early seventies.

The plans prepared for the first five towns reflect another important government policy. As table 1 indicates these towns are planned as industrial and tourism communities. One is designed to house already existing industrial labour force and the other three call for industrial employment to reach as high as 40% of the total labour force. In other words four of these new towns are geared to the need of the growing blue collar class rather than professional and white collar classes that dominated earlier new settlements in the Cairo Region. Indeed this is an appropriate recognition of the realities of future trends in population growth and characteristics.

The plans as approved by the Ministry enforce a commitment to bring about some basic changes in the structure of new urban communities. These changes are reflected in lower population densities varying from 35 persons per acre in the October 6th to 61 persons per acre in the Fifteenth of May. These compare with an average density of 100 persons per acre in the built up areas of the Greater Cairo Region. Net residential densities were equally low in the four large new towns and were rather high in the Tenth of Ramadan only because the difficult nature of the site dictated such increase. Another important aspect is the large area devoted to recreation and open spaces which varied from 10 per cent in the Tenth of Ramadan to 18 per cent in the Fifteenth of May. In other words it could be successfully argued that one of the basic objectives of the government's new town policy is the reduction in the level of crowding currently prevailing in Egyptian cities and towns, as well as the creation of communities with healthier physical environments.

Another important aspect of government policy is the emphasis placed on the redistribution of economic activities. The first new towns were planned as industrial communities with the understanding that they will grow into powerful magnets for economic activities. This was to be attained through a combination of factors based on direct government actions requiring new firms to locate in New Towns and improvement of the quality of the new urban environment to serve as an attraction for industrial investors. The latter is an important consideration since it is obvious, from the investment allocations of the 1978-1982 five year plan, that government expects the private sector to play the dominant role in the industrialization of new towns (Table 2).

In general, experience in the development of the Tenth of Ramadan and Sadat City suggests that government places higher priorities on the development of the economic base and industrial infrastructure of the new towns. This is intended to enhance their attractiveness for non-commuting

population. This also reflects the serious commitment of the government to ensure the success of the new urban development policy. As a result it is safe to conclude that new towns are viewed by the central government as an important tool or vehicle through which many of the national goals could be attained. These goals could be summarized into three broad objectives.

1. Solve the problems of the housing market.
 2. Reduce the level of overcrowding in the currently inhabited area (14% of the country) and establish a new urban environment based on better standards and concepts.
 3. Protect agricultural lands.
2. Integrated Regional Development Programmes
- a) In 1976 the Regional Plan for the North Western Coast was prepared and it indicated a big potentiality for development. Accordingly, the Ministry prepared a sub-regional Urban Plan for the Development of the Area between km 34 and km 100 west of Alexandria.
- b) The Government intends to release 10,000 Hectares of an Arable Land for an integrated Agricultural Development. This Area is situated in Wadi El-Barut, High Dam Lake Region, Aswan Governorate. It lies to the west of Aswan—at about (35-40) km.
3. Harbours Development within a Regional Context.

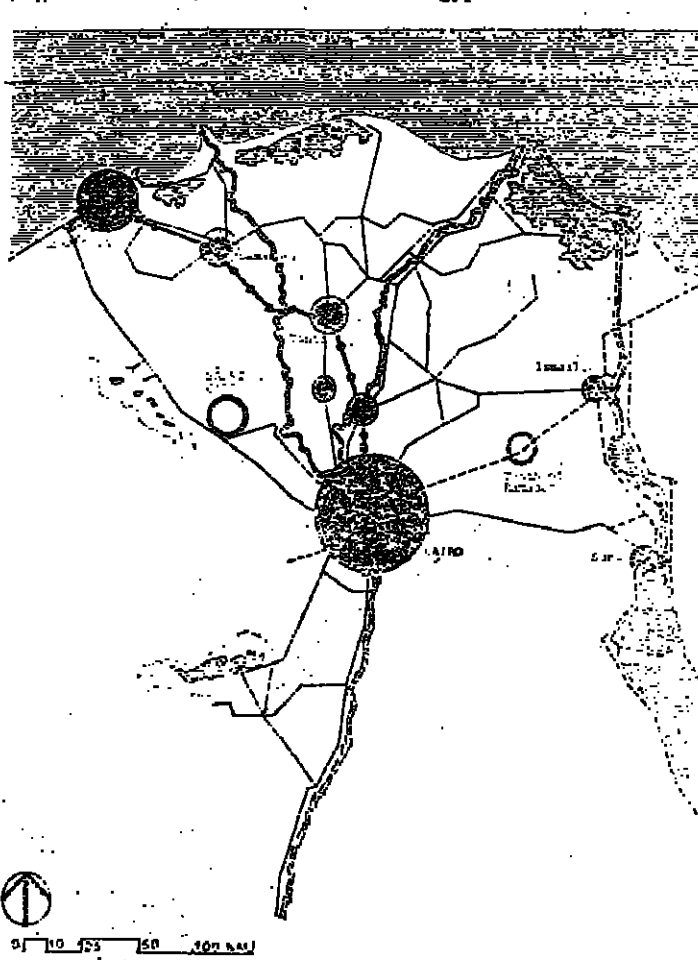
Based on a recently conducted development policy study for the Ports of Egypt, in which transportation cost cut-lays of the Egyptian economy were minimized, a new major port should be developed at Damietta, planned with a capacity reaching 5.6 million tons by year 1985 and 16.5 million tons by the end of the century. The new port located at Damietta is an integral component of Egypt's plans for economic and social progress, with repercussions spanning a broad range of areas: international trade in land and transport, industrial development, urban renewal and the creation of new communities.

Conclusion

These projects and programmes currently being implemented need an atmosphere of international cooperation. There are many mutually profitable investment opportunities for the private investor in the programmes and projects of the Ministry. These profitable opportunities have to be evaluated from two aspects. First, the economic and social aspect and second from the long, medium and short terms horizon. The Ministry welcomes international and private foreign investment to participate in cooperation with the Egyptian public and private corporations.

In that respect the People's Assembly "Parliament of Egypt" passed last year a new law empowering the government to offer the most favourable development conditions and concessions for building and developing new communities in Egypt.

Urban Centres in Egypt



	Sadat	Ramadan	Amriyeh	May	October
Distance from nearest city (km)	95	58	50	4	32
Planned Population	500,000	500,000	510,000	150,000	350,000
Industrial Employment	36%	40%	40%	(1)	30%
Total Area (ha)	4,841	5,678	4,789	1,034	—
(acre)	11,423	13,406	11,269	2,440	10,500
Residential Services	25%	38%	31%	24%	26.7%
Utilities	27%	7%	27%	21%	(2)
Industrial	21%	20%	14%	(1)	31%
Open Space	21%	10%	11%	18%	6.1%
Roads	13%	25%	8%	37%	17.3%
Tourism	—	—	—	—	17.8%
Residential Density (Persons/Acre)	175	98	145	256	100
Overall Density	44	57	45	61	33

- (1) The 15th of May city is planned as a dormitory community for workers in already existing industrial complexes.
- (2) Utilities is included in the item of Roads.

Table 2
Distributed Investments Allocated for New Towns

	Investment (L.E.000)	Percent of Total	Percent
Agriculture	5,000	1.86	1.55
Irrigation	—	—	—
Industry	16,000	.56	4.97
Oil	—	—	—
Electricity and Power	25,000	4.65	7.77
Transport and Communication	50,000	3.75	15.55
Commerce	9,000	5.30	2.80
Housing	18,500	14.56	25.37
Utilities	35,000	14.03	26.44
Services	50,000	7.56	15.55
Total	321,600	4.82	100.00

Source: Ministry of Planning, 1978-82 Five Year Plan, Development Strategy and Regional Planning, Volume 9 August 1977.



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THE BOMB BACK ON THE AGENDA

There are occasions when the ambiguity of a conference resolution is of particular significance. So it was in the defence debate at the TUC yesterday. The resolution that was passed condemned the siting of Cruise missiles in Britain. That was specific enough. The resolution went on to deplore the Government's decision to purchase Trident missiles as a replacement for Polaris. That was specific only up to a point because it was not clear from the terms of the motion whether Trident in particular was being opposed on grounds of cost or whether any British nuclear deterrent would be rejected. The resolution did indeed come down against any defence policy based upon the use or threatened use of nuclear weapons, but while it called for disarmament in both the nuclear and conventional fields it did not say whether this should be unilateral or multilateral.

It was therefore a resolution which gave encouragement to the unilateralists but could not be accepted by the multilateralists as not directly condemning their position. There are, after all, genuine multilateralists who are against either Cruise or Trident, or both, on technical or economic grounds. So the resolution could be, and was, supported from very different standpoints. This ambiguity was not accidental. It was a means of concealing, at least to some extent, the deep divisions that exist within the trade union movement on defence policy.

This development is important for two reasons. It is a further indication that for the first time in nearly 20 years nuclear defence policy has come back right to the top of the political agenda. It almost tore the Labour Party apart when Gaiskill made his speech at Brighton last week. And again it threatens the unity of the party. It is expected to provide the most contentious debate at the Blackpool conference at the end of this month, apart from the rows over the party's constitution. But it is not only within Labour's ranks that nuclear defence policy has now become a major point of dispute. It will probably be the most strenuously contested debate among the Liberal as well when they assemble at Brighton next week. And outside the ranks of all political parties there is now a sense that questions that have lain dormant for nearly 20 years are now being asked again.

THE VERLIGTES OF SIMONSTOWN

The result of the Simonstown election reveals more clearly than ever the feeling among white South African voters of the need for a new, more equitable form of power-sharing with non-whites.

The voters do not know what form this can take. They fear that a formula for power-sharing that would leave the whites as the permanent senior partner would come too late for acceptance. They fear that the blacks are set on majority rule, in the crude form of black rule, and will settle for nothing but the Zimbabwe model. Accordingly they want a government that is realistic and will come up with a formula that will obviate a race war. They also feel that the whites must close ranks as bargaining begins in order to dispel any black notions that they are on the run and any compromise short of black rule can be rejected.

These feelings account for the Simonstown result and may affect other coming by-elections. But they do not change the key struggle within the Nationalist Party, which Mr Botha has to win but has not yet won. He would only need Simonstown and many constituencies like it to retain power if the hardline Nationalists broke away from the party. At present he still needs their votes, and, meanwhile, though demoted in the cabinet, they retain immense leverage in the party machine, and just as important, in the civil service, so that the whole administration is deeply imbued with hardline attitudes.

Mr Botha's counterstroke is to bring in the overboarded bantustans, which the only alternative that avoids confrontation is some form of power-sharing with non-whites.

There are two actions that Mr Botha could take to show that his words are not mere electioneering. One would be steps really to end the Mixed Marriage and the Immorality Acts. His challenge that the proud Afrikaner nation cannot be dependent for its survival on these sexual taboos struck the right note. To name the Afrikaners into abandoning these inhumane caste rules would be a step forward, but equally it might split the Nationalist Party as little else could.

The other move that would show him in earnest would be the decision to bring black representatives into the planned Presidential Council, which has constitutional-making functions. It may be too late now, but it could be tried, and is certainly the only way to resuscitate the concept.

Mr Botha is in earnest. It will have to be tried, as a minimum commitment to change. Otherwise Mr Botha, while speaking fair, will be leading the country towards a quasi-military dictatorship, albeit one with multiracial facets. Simonstown hardly voted for that.

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The second reason why the trade unions' disagreements on defence are of some consequence is that they make it all the harder to predict what the Labour Party conference will do. The hope has been that the principal unions, most of them under moderate control, would rally round the established policy of multilateralism—while no doubt opposing Trident on grounds of cost, and possibly Cruise as well. This belief that the unions will safeguard the principle of multilateralism may still prove to be true. But it is impossible to have any confidence in the outcome when the AUEW, under right-wing control, point in one direction and the Transport and General Workers, under equivocal management, point in another. With such a division of strength and consequent uncertainty about the outcome of battle, it is quite possible that the issue will be fudged at the Labour conference as it has been at the TUC. But while that might be a disastrous way of holding the party together, it would neither command the respect of the electorate at home nor strengthen the cohesion of the alliance abroad.

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The electoral see-saw

From Lord Harelech
Sir, Mr Callaghan's speech to the TUC Conference on Tuesday (September 2) highlights the unrealistic confidence of all political leaders that their party will, under the present electoral system, be re-elected and remain in power for many years. His plea to the TUC for support clearly reflected this outlook when he drew attention to the need for stable government, and to put an end to Conservative and Labour Governments enacting and repealing legislation in turn.

Of course we want to get away from drastic reversals of policy each time the Government changes as the result of a swing of only a few per cent in the votes cast at a general election. These instant reversals have done incalculable harm to British industry and society. But however desirable greater continuity may be, it can only be achieved by electoral reform and changing to a system of proportional representation.

It is high time our political leaders adopted a more realistic attitude and at least undertook to examine seriously the merits of electoral reform for which there is growing support.

Yours etc,
HARELECH,
Chairman,
National Committee for Electoral Reform,
60 Chandos Place, WC2,
September 4.

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Polish lesson on communism in practice

From Mr David Holbrook
Sir, I was one of those who, at Cambridge at the tail end of the pro-communist movement, found themselves under a powerful appeal from Soviet developments. What appealed to us was the promise of a new and rational kind of social organization, and even the materialism of communism itself. It seemed to offer at least an escape from the hypocrisy of capitalist values, which were to us (as they were later to Simone de Beauvoir) the mere elevation of class interests into spurious principles. The philosophy of dialectic materialism seemed also to offer a release from the cruelties and bigotries of religion, such as we witness today all around us. In short, we became entranced by communism because it seemed the most rational approach to social and economic problems, and the most truthful approach to man's predicament.

There was however one difference, as we soon discovered, about communism. It was not a form of political activism and theory in which anything must needs be sacrificed to expediency. Only show that the future domination of the proletariat, which was historically inevitable, required a certain action, and it became justified. Any destruction of human values was vindicated by the promise of eventual communism.

That, of course, that traditional value could be rejected as "bourgeois", and even truth itself could be jettisoned, in the name of what was, after all, a vision, a postulated new society—in the name of belief.

I was one of those who left the party when the Zdanov and Lysenko affairs made it clear that, under Stalin, even human culture and science were to be sacrificed, if necessary, to expediency. And since those days matters have grown worse and worse—a paralysed and rigid concept of what the "dictatorship of the proletariat" must mean has impelled the powerful Soviet Union to suppress all dissenting voices in the sphere of the exploration of truth, in Hungary, in Czechoslovakia, and in such spheres as the misuse of psychiatry, the suppression of dissidents, the treatment of artists, and the harassment of Dr Sckharov.

Now, surely, it must be plain to the world, over Poland, that the Soviet Union is a blatant enemy of its own people knowing about the Polish workers' movement. It tells lies about Poland as absurd as the paradoxical lies it tells about Afghanistan. Whatever else the Polish workers have achieved they have exposed the communist movement as one which lives by an untruthful travelogue, which necessary force—as was clear in Prague in 1968, when, with banners depicting the "proletariat" hung about the place, Russian tanks rumbled about the streets to suppress the actual workers' movement. They began to Dubček.

Communism, however, is still respectable in our universities, and some of my colleagues of the forties are still leading Marxists. The dreadful offences to human truth and to the rationality committed by Marxism in action seem to leave them untroubled, not even when these offences have led to vast mass death and suffering. It would be interesting to hear their comments, as to whether there isn't something inherent in Marxist philosophy which led it to become, instead of a new science of politics and social

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COURT CIRCULAR

BALMORAL CASTLE
September 4: The Duke of Edinburgh this morning attended the Annual Conference of the British Equine Veterinary Association Congress (President, Mr J. A. Cunningham) at the Imperial College of Science and Technology, London SW7.

Mr Richard Davies was in attendance.

The Duke of Edinburgh later visited the Farnborough International 80 Air Show and was received upon arrival by Her Majesty's ice-cream Lieutenant for Hampshire (Sir Hugh Smiley, Bt).

The Duke of Edinburgh, attended by Air Commodore Sir Archie Winstill and Mr Richard Davies, travelled in an aircraft of The Queen's Flight.

The Prince of Wales will attend an Order of Christian Unity reception at the Bible Society, 146 Victoria Street, London, on October 28.

Birthdays today

Lord Balfour, 71: Sir David Follett, 72: Professor Peter Fricker, 72: Mr Stuart Hibbard, 67: Mr Arthur Koestler, 75: Sir Francis Lloyd, 64: Professor A. D. Wainman, 72: Professor Sir David Wainman, 68: Sir Vice-Marshal B. C. Yardie, 75.

Forthcoming marriages

Lieutenant C. R. Style, RN and Miss C. A. Woodford. The engagement is announced between Lieutenant Charles Style, Royal Navy, son of Lieutenant-Commander Sir Geoffrey Style, CBE, DSC, Royal Navy, and Lady Style of Rocklands, Norton-sub-Hamdon, Somerset, and Charlotte, elder daughter of the late Lieutenant Tim Woodford, Royal Navy, and Mrs George Walker, and step-daughter of Mr George Walker, of 8 rue du Moulin, Brumath, Strasbourg.

Mr N. S. D. Bulmer and Miss A. M. E. Gurney. The engagement is announced between Nigel Sebastian David, elder son of Mr and Mrs R. H. Bulmer of Brimston, Hereford, and Angela Mary Estered, daughter of the late Lieutenant Colonel J. E. Gurney, MC, and Mrs Gurney, Tacolneston Hall, Norwich, Norfolk.

Mr A. M. Scott and Miss E. J. David. The engagement is announced between Alexander, younger son of the late Mr Gordon L. M. Scott and Mrs E. M. Scott, of Terrigles Avenue, Pollokshields, Glasgow, and Edna Jane, elder daughter of Mr and Mrs John David, of Arley Hall, Barnet, Hertfordshire.

Latest wills

Mr Hubert Griffiths, of Watlington, Oxfordshire, left estate valued at £40,356 net. He was the husband of Mrs Griffiths, the Salutation Army.

Other estates include (a) before tax paid: tax not disclosed; Baker, Mr Leslie John Stanley, of Orpington, Kent, died, aged 80; Burrell, Mr Edgar Claude, of Ewell, Surrey, £158,414; Downing, Mrs Violet Constance, of Chislehurst, Kent, died, aged 80; Duffield, Mr Kenneth Percy, of Tewkesbury, Gloucestershire, £157,929.

£10,000 bond winners

The winning numbers in the September draw for £10,000 Premium Savings Bond prizes, announced yesterday, were: 545 528460 (winner); 1000 1000000 (winner); 711 735788 (Brent, London); 14VT 735788 (Lancashire); 20VL 50513 (Barnet, London); 222L 479422 (West Sussex).

BRITISH ASSOCIATION/SALFORD

Extracting fear from a visit to the dentist

It need not hurt to go to the dentist, the association was told yesterday. All that is needed is to make regular visits, the dentist to take more time and care and a better system to be found for paying him, Mr John Woolgrove, a dentist and psychologist, said.

A survey of patients carried out at Aston University, in Birmingham, showed that 40 per cent of those sampled had at one time or another delayed a visit to the dentist because they were afraid. Yet 85 per cent of them knew they should visit the dentist at least once a year.

But the matter was largely psychological, Mr Woolgrove said. Fear stopped patients attending so that when they did go procedures were needed that if not handled carefully could cause pain.

The expectation of pain also made patients over-sensitive, so that small and procedures that

Pope's British visit linked with renewal of church

By Robert Nowell
The Pope's planned visit to Britain in 1982 was linked yesterday by Cardinal Hume, Archbishop of Westminster, with the internal renewal of the Roman Catholic Church in England and Wales. Initiated by the National Pastoral Congress last May, addressing the National Conference of Priests yesterday at its eleventh annual meeting in Birmingham, the cardinal said that when the Pope visited a country it was his normal practice to meet the bishops' conference.

"I would like to think that on that occasion each diocese will present the Holy Father with a summary of what has been done between the National Pastoral Congress and his arrival to implement the congress and the vision it offered," he said.

In the months before the visit, the cardinal told the priests, their efforts should be such that

when the Pope left they would be leaving the Gospel more faithfully and more fully. "If that happens, every effort will be worthwhile. If it does not, the visit will become just a pleasant memory."

The cardinal expressed the hope that people would not demand too much of the Pope during his visit. "These visits are very exacting, and he cannot go everywhere," he said.

The visit would be planned to allow as many people as possible to enjoy and benefit from it. Judging by his visits to other countries, it will be a matter of a few days.

Asked how Catholics could answer the fears of those who were disturbed by the prospect of the visit, the cardinal said that he had been overwhelmed by the generosity and enthusiasm shown in the press. He liked to think that expressed the prevalent mood.

Unity discussed in Italy

From Peter Nichols
Rome, Sept. 14. Pope John Paul II told members of the Anglican-Roman Catholic International Commission today that unity had been marred by the sins of the past but it was never entirely lost.

Addressing them at his summer residence in Castelgandolfo, the Pope said: "We have a common treasure, which we must recover, and in the fullest of which we must share."

The members of the commission, led by the Pope's president, Professor Sir David Wainman, of the Roman Catholic Bishop of East Anglia, the Right Rev Alan Clark,

and the Archbishop of Dublin, the Most Rev Henry McAdoo, had just ended a meeting in Venice devoted largely to the outstanding difficulties of papal authority.

After 14 years the task of the commission was drawing to an end. "Now the time is approaching when you will make a final report, which the respective ecclesiastical authorities must accept. Here is a great responsibility."

Your work will be taken seriously, weighed with all the care and sympathetic attention demands. I thank God for what has been achieved, and I thank you who have worked in his name with desire to be submissive to his spirit."

The Pope's visit, page 12

Christenings

Princess Anne, Mrs Mark Phillips, is godmother to the infant daughter of Mr Donald Cameron, Yr of Lochiel and Lady Cecil Cameron of Lochiel, who was baptised Lucy Margot Therese in the chapel of The Border Sains Monastery, on Sunday, August 31, by Dom Fabian Cowper, OSB, assisted by the Rev David Mayhew. The other godparents are Mr and Mrs Hugh van Cusem, Mr Jackie Stewart, Mr James Barclay, the Countess of Lichfield and the Countess of Euston.

The infant son of Mr and Mrs Peter Reave was christened William Francis by the Rev Christopher Courtault at St Paul's, Knightsbridge, yesterday. The godparents were the Hon Charles Knightsbridge-Hamond, Mr Thomas Messel, Miss Katherine Cooper and Miss Veneta Heathcote.

Today's engagements

Exhibitions: Town and country in French nineteenth-century paintings, National Gallery, 10-5; Festival of English vineyard wine, Bichel, 10-5; East Sussex, 12-4; Robert Louis Stevenson and Victorian Scotland, Canongate Tolbooth, Royal Mile, Edinburgh, 10-5; Mary Rose: Anglo-heritage collection, J. Steven Dews, special exhibition gallery, National Maritime Museum, 10-6 (last day); Annette Chevallier, Camden Arts Centre, Arkwright Road, 11-6; International exhibition of miniature textiles, British Craft Centre, Earlham Street, 10-5-30.

Lectures: Raphael, by Andrew Tyrrell, National Gallery, 7-9; Turner in Rome, by Mary Ellis, Tate Gallery, 1; Western World, by Geoffrey House, 11-30; Athletics and ancient Greece, by Ian Jenkins, British Museum, 1-15.

Science report

Zoology: Vocal repertoire of rats

By the Staff of Nature
A study of the sounds made by nine species of Australian rats has revealed a wide and varied repertoire of sounds, including ultrasonic whistles, squeals, and whistles in much the same circumstances although the different species come from all over Australia, living in habitats ranging from arid desert to tropical rain forest.

Dr Watts, who recorded the calls of rats kept in the laboratory, termed their earliest sounds, emitted during the first three weeks of life, "ultrasonic whistles". These brief ultrasonic pulses were produced when a baby rat was removed from the nest and exposed to the cold, or when handled by its mother or by an experimenter. Baby rats in the nest were also prone to give what Dr Watts terms a clear, squeal, and a loud, rapid, repetitive sound with sucking or a disturbance caused, for example, by some movement of their mother.

Like those who have studied the calls of rodents in the past, Dr Watts finds it hard to assign a general function to the various sounds he has recorded, and he does not know what they would all mean in the natural life of a rat. But his study has shown that future researchers will have to take account of a wide range of vocal signals if they are to understand the way such animals communicate with each other.

Source: *Journal of Zoology*, August (Volume 191, page 531), 1980.

During aggressive encounters, rats, coughing, which was ultrasonic, and two voiceless sounds, hissing and tooth clattering. The latter was also sometimes recorded from rats threatened by an experimenter.

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Source: *Journal of Zoology*, August (Volume 191, page 531), 1980.

OBITUARY

SIR GEORGE PICKERING

Major contributions to clinical medicine

Sir George Pickering, FRCS, FRCR, who made major contributions to clinical science and was Regius Professor of Medicine at Oxford University from 1956 to 1968, died on September 3 at the age of 76. He was Master of Pembroke College, Oxford from 1968 to 1974.

George Pickering was born at Whiston in Northamptonshire on June 26, 1904, and learned to love fishing and gardening. He was educated at Dulwich College and entered Pembroke College, Cambridge, with a Major Scholarship in 1923. He obtained a 1st Class in both parts of the Natural Sciences Tripos. His subject in Part II was physiology, and it was to remain the base of his own approach to the problems of clinical medicine. In Cambridge he met a fellow medical student, Carol Hayward, who was a daughter of the Professor of Botany and Master of Downing, and whom he married in 1930. There were a son and three daughters of the marriage.

After 1935 he went to St Thomas' Hospital for his clinical training, with a scholarship which was supplemented by teaching biology at Westminster School. While at St Thomas' he met a fellow medical student, Michael Smith, who was a son of the Regius Professor of Medicine, and who was to become a close friend and colleague.

After completing his training, Pickering was appointed assistant in the department of clinical research and lecturer in cardiovascular pathology at University College Hospital. This was a golden age at University College Hospital, which at that time had on its staff Sir William Osler, Sir R. Elliot, Sir R. H. White, Sir R. Lewis, Charles Bolton, and A. E. Boycott, all fellows of the Royal Society. Lewis's department was the acknowledged centre of clinical science and among Pickering's immediate associates were Sir Michael Smith and Michael Michael, Smith and Wayne, all of whom were to achieve distinction. Pickering was Lewis's favourite pupil and can be regarded as his intellectual descendant. Here he had the opportunity, on his head, on the circulation, on headache, on peptic ulcer, and on temperature regulation. His scientific interests were wide but his major study was the arterial circulation; it was his book, *Arterial Blood Pressure* (1955) which became a classic. He avoided the danger, which is inherent in Lewis's approach, that clinical science may degenerate into a sterile analysis of symptoms and signs. His study has shown that the study of a large group of patients with a particular disease may reveal features which could not have been seen in the individual case.

In 1937 he was appointed professor of medicine at St Mary's Hospital and soon acquired a heavy load of teaching and administrative duties in addition to his abiding interest in research. His unit was evacuated to Baginbun during the war, but he returned to St Mary's in 1944, and of the Medical Research Council from 1954 to 1958. He made a short stay in Oxford as visiting professor in 1964.

His scientific ability and personal charm, his tastes and mannerisms, made a great impression on those who were concerned with the future of the clinical medical school in Oxford, and when the Regius chair of medicine became vacant in 1956 he was the obvious choice. During the previous 30 years the Regius Professorship of Medicine had been held by men like Osler and Garrod who had already completed their life's main work and came to a post which was in some sense a sinecure, but the duties attached to the professorship had been radically changed by the growth of the medical school and teaching hospital and by the coming of the National Health Service. To be *primus inter pares* it was necessary for the Regius Professor of Medicine to be in charge of the school and to act as well as acting as the permanent dean of the medical school.

With the aid of the Wellcome Trust, a separate university clinical department was established in the teaching hospital with its own wards and laboratories under the control of the Regius Professor of Medicine. This was a total assignment that would have daunted most men, but Pickering carried it off triumphantly and his department rapidly attracted research workers from all parts of the world. The stream of important publications continued unchecked, and also did his visits abroad as lecturer, visiting professor and recipient of honorary degrees.

The medical situation which faced Pickering on his arrival in Oxford was complex. Lord Nuffield had given his hospital to the University for the purpose of postgraduate research departments in the hospitals. There had been a tacit assumption in some quarters that the example of the Johns Hopkins Hospital, the pioneer of the American medical education, would be followed and that when the new clinical professorial departments had been firmly established an undergraduate clinical school would be set up. The war and the exodus of clinical students from London to Oxford, tele-scoped this process, and a clinical school was started before the Nuffield professors were adequately housed. Some members of the University felt that this was an opportunity for the formation of a university hospital on American lines, though the introduction of the National Health Service, which the provision of clinical facilities for university teaching and research is the responsibility of the Minister of Health, and not the University, made this in fact inapplicable. Finally, the National Health Service had made it incumbent on the University to be the centre of postgraduate training for the practitioners and doctors in hospitals throughout the country. The physical accommodation for all these tasks was inadequate, and the relations between the University and the Board of Governors of the Hospital, between part-time and whole-time teachers and research, and between the undergraduate and postgraduate students, were all showing signs of strain.

Within a few years Pickering had built up for himself a position of great strength in the councils of the university and the medical school. His opportunity came in 1964 to accept a number of important posts in the clinical school, because vacant more or less simultaneously.

Pickering's distinction in his own field of clinical medicine was united with a strong active concern in the sphere of education in general. In his humanity to the Franks Commission which was subsequently reprinted in the *Oxford Magazine*, he had argued for a university education which bridges the arts and sciences, and the aim of developing a more trained sensibility in the medical student. His book *The Challenge to Education* (1967) extended this argument and examined the damage done by premature specialization in schools. A practical man, he was a humanitarian. He displayed the usual ignorance of technology forced on successive generations of arts graduates by narrowness of specialization from an early age, in schools in which the dominant and eloquent and forceful plea for a thorough re-examination of sixth form and undergraduate courses.

Pickering also continued writing on medical and cognate subjects. His *The Nature of Essential Hypertension* had appeared in 1961 and *Hypertension: Causes, Consequences and Management* was published in 1970. In 1974 there appeared the highly provocative *Creative Medicine*, which explored the state of psychoanalysis in the achievements of a number of distinguished figures in history, ranging from Florence Nightingale to Freud. *The Quest for Excellence in Medical Education*, was published in 1975. Sir George Pickering had been elected Master of Pembroke in 1968 and on his retirement from the Regius Professorship he took up this office which he occupied until his final retirement in 1974. He was a Fellow of the Royal Society and a Hon. Fellow of the college. He was also a Vice-Chancellor of Oxford University from 1967 to 1969.

Pickering had received a knighthood in 1957 and became a Fellow of the Royal Society in 1960. He was President of the British Medical Association (1963), a trustee of the Beit and the Astor Foundations, and adviser to the Nuffield Provincial Hospitals Trust, and a member of the Medical Research Council at Oxford. Numerous academic distinctions were conferred on him both in his country and abroad. However, no one was further in his outlook than George Pickering and he had a passionate interest in individual experimentation. An unbroken day in the laboratory gave him the same sensuous pleasure as others get from a walk on a hill or a game of golf. He enjoyed good food and drink and the companionship of his fellows, and in his middle years he looked like a rather small Silenus. Long after the war he drove a pre-war car which was old without being vintage, and he was the last to notice that his shirt was becoming tattered and that his razor required a new blade. A hereditary tremor, an acquired lameness and a diffident manner suggested a formidable strength of purpose and output of energy.

LORD BROCK

London, and very soon he was appointed to Guy's Hospital and the Bromford Hospital, the affairs of which he adorned for many years.

His contributions to the literature of cardiac surgery were basic and fundamental, he also produced an important book on the anatomy of the bronchus and lung tissues. He was for many years editor of Guy's Hospital Reports, and also wrote an excellent account of the Life and Work of Sir Astley Cooper, his brilliant predecessor, whom he so much admired.

Later, he, by his own efforts, reconstructed the women's operating theatre of the old St Thomas' Hospital. This was a most important work, and it was a monument to the more complicated procedures which are now carried out under direct vision, and in their devising, Brock took a not inconsiderable part.

He had firm views on transplantation and in 1955 he wrote an essay on *New Growth of the Lung*, and became a Hunterian Professor in 1938. In 1963 he was elected a member of the council of the College, and served as vice-president from 1956 to 1958, was Bradshaw Lecturer in 1957, and Hunterian Orator in 1960. In 1963 he was elected president of the College.

In the academic world, in this country, he received the Julius Mickle prize of the Forthgillian Gold Medal of the Medical Society of London (1953), the Cameron Prize of the University of Edinburgh (1954), the Gold Medal of the Society of Apothecaries (1955), and the Gold Medal of the West London Medical & Chirurgical Society (1955).

Abroad he had many honours from many countries, those he cherished most were the Honorary Fellowships of the Royal Australian College of Surgeons and the American College of Surgeons, and the Honorary Fellowship of the Royal Society of Medicine.

Brock was not an easy man to know intimately, it is doubtful whether anyone achieved this; however, he was an agreeable "chatterbox" and although strict in his handling of his juniors, he was always scrupulously fair, and what is more, would exert himself to the limit to guard their interests. Once he had accepted a case, he was confident. Medicine in his conduct of affairs, almost to the point of fussiness, he could not tolerate slackness in those who worked with him, he suffered fools badly, and in his early days he was the last to make this obvious. Later in life he mellowed considerably and managed to control the restless dynamism which characterized his early days and led to his criticism by those who knew him only slightly.

He was a supreme individualist, independent in his outlook, and consequently tended to be almost unconsciously found it difficult to accept the opinions of others, engendering a certain amount of critical opposition from those who were unable to appreciate the single-mindedness of his approach to a problem.

He trained a considerable group of young surgeons who bore unmistakable evidence of his personality, and they have carried on well the traditions he has left behind.

He married in 1927 Germaine Louise Ladeveze. They had three daughters one of whom died. Lady Brock died in 1976.

Rampie Shand, the South African rugby forward, died in hospital in Johannesburg on August 28. He was 34 and had played in the international team against the British Lions in 1974 and four against New Zealand in 1976.

Mr Percy Rogers CBE, who died of a heart attack on August 28 at the age of 76, was Regional Director, N.E. Region, Central Electricity Generating Board, 1958-61. He was a member of the Electricity Council from 1962 to 1966.

MRI H. LEVISON

Mr Isaac Harry Levison, who died on September 2, was a member of the main board of Sear's Holdings Ltd from 1961.

As managing director of Sear's footwear division from 1954 until 1978, he played a major role in the creation of what is now the largest footwear manufacturing and retail business in the United Kingdom.

Lady Crutchley, wife of Admiral Sir Victor Crutchley, VC, died on September 2. She was Joan Elizabeth Loveday, and was the daughter of William Cortyon, and she was married in 1930.

Captain Charles Ford-Hamilton, CBE, who died on August 30 at the age of 88, was Commander, Senior Naval Officer, Persia, Gulf, 1942-44, and Naval Establishments, Durban, 1944-46.

Adoption of inner city programmes said to be 'a massive waste of resources'

For more than a decade attempts to tackle inner city decline have been a monumental failure. The millions of pounds spent on the operation have risen five times in cost in terms of social blight is inestimable.

That was the sub of an analysis presented by Mr Christopher Stoddart, a controversial paper, presented yesterday to a special meeting of the Independent Television Association in which he sought a more effective approach to resolving the troubles of our decaying cities.

Mr Stoddart, who until recently was research secretary of the Department of the Environment's Centre for Environmental Studies and is now senior executive of the regional companies secretariat, the Independent Television Companies Association, described the adoption by central government of a massive waste of resources.

"By concentrating on relatively small pockets of urban deprivation, in the so-called 'seven inner city partnership' areas, central government has failed to recognize the causes of inner city decline."

From Pearce Wright
Science Editor
and Nicholas Timmins
city decline went much wider than those few localities.

Deprivation was by no means confined to a few areas, but could be found in rural areas, in towns and even in rural areas.

Investigations that might have shown that poverty was widespread and that its causes were broader had not been commissioned by the Department of the Environment in 1969 and 1970.

In the reorganization of government-funded research and development, proposed by Lord Rothschild when he was head of the Central Policy Staff, he had suggested transferring the responsibility for the five research councils to military departments so that they could control as a consumer a certain proportion of research money.

That reorganization became known as the customer-contractor principle.

In an indictment of the principle on which all government funding of research has been based since 1972, Mr Stoddart said: "Ministers and civil servants twice policy and do not always commission research on the assumptions of that policy."

When research had been commissioned, it had been heavily controlled. Subsequent reports on subjects as varied as comprehensive schools, lavatory seats, swimming and gun attacks had all suffered delay before publication or had been severely amended by government.

Mr Stoddart said he recognized that publicly funded research must be politically accountable. He therefore supported a proposal made by Professor Peter Williams to the Social Research Association for more influence over the selection of research projects by select committees of MPs who would scrutinize expenditure department by department.

In the case of the inner city, he said, it was possible to see how the Rothschild customer-contractor principle had been applied. He said that both good research and, ultimately, good policy, during aggressive encounters, were, coughing, which was ultrasonic, and two voiceless sounds, hissing and tooth clattering. The latter was also sometimes recorded from rats threatened by an experimenter.

Heart transplants defended by doctors

Leading doctors yesterday strongly defended Britain's heart transplant programme in the face of criticism earlier this week that transplants were "tragically irrelevant" in the context of the high death toll from heart disease.

Dr Douglas Black, president of the Royal College of Physicians, said such attacks were highly discouraging to patients and the transplant teams.

The same criticism that the procedure has too high a death rate and is too expensive was made of kidney transplants and open heart surgery when started. Government now save hundreds of lives a year.

The argument by Dr Peter Draper, of the unit for the study of health policy at the Royal College of Physicians, London, that effort should go into prevention rather than salvaging treatments, was based on a false analysis, Sir Douglas said.

"It is not as if you stop

doing cardiac transplants the thousands are going to die with undiagnosed heart disease and start telling people to live the good life," Dr Douglas, a former chief of the Department of Health, said. "They undertake much other cardiac surgery."

It must be very discouraging to the transplant teams, to patients awaiting transplants, and to the donors to hear the whole thing being called into total disrepute on economic grounds," he said.

Sir Douglas was supported by Professor John Goodwin, professor of cardiology at Hammer-smith Hospital, London, a member of the Government's National Advisory Panel and president of the International Society and Federation of Cardiology.

Despite the eight deaths from the 22 transplants performed in the present programme, the

results were encouraging, he said. Transplantation was a practical method, although still in some extent a research procedure.

"The demand exists. There are patients who need it and the operation. There is no reason at all why the results should not be as good as those achieved by coronary artery surgery," Professor Goodwin said.

Prevention and medical science should advance in parallel. "It would be absolutely wrong to suggest people of imagination and great competence were to be deprived of the resources to carry out new and innovative work because it had happened all innovation would rapidly come to a halt."

The same arguments had been put against open heart surgery. "Had we stopped at the point and become discouraged by the death rate we should have put back the advance of cardiology by several decades," he said.

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Stock Markets
FT Ind 490.8, up 1.6
FT Gilt 68.53, down 0.11

Sterling
\$2.490, up 32 pts
Index 76.5, unchanged

Dollar
Index 83.5, unchanged
DM 1.7765, up 0.3

Gold
\$647.5, up \$10

Money
3 mth sterling 16 1/2%
3 mth Euro 5 1/4-1 1/4
6 mth Euro 5 1/4-1 1/4

IN BRIEF

Opec leaders plan new conference on pricing

An extraordinary conference of oil ministers of the Organization of Petroleum Exporting Countries is likely to be convened immediately after the meeting of finance, foreign and oil ministers in Vienna on September 15 and 16.

The conference will try once again to reunify the Opec price structure. Any resulting price rise will be small. Saudi Arabia is expected to raise its price from \$28 a barrel to the \$32 benchmark figure which was agreed at the last meeting in Algiers and which most of the Opec moderates are using to fix their own prices before their second summit meeting in Baghdad in November.

It is also expected to reduce its production by one million barrels a day for the fourth quarter to ease the glut of supplies which is developing on the market.

Oil discovery

The Union Oil Company of California's Netherlands subsidiary has made another oil discovery in the Dutch sector of the North Sea. The well was drilled by Union Oil Company of the Netherlands and flowed at a rate of 1,941 barrels of 26.4 gravity oil.

The discovery off Texaco and Union Oil of California have also reported discoveries in the North Sea.

Westward dispute

Both sides in the boardroom battle at Westward Television appeared in the High Court before Mr Justice Dillon yesterday. The board is attempting to stop a shareholders' meeting called by Mr Peter Cadbury for September 10. The hearing was adjourned until 2pm today.

'Dawn raids' meeting

The Council for the Securities Industries yesterday issued its special recommendations from its special committee looking into stock market "dawn raids". A statement is to be issued today.

Cable & Wireless chief

Sir Keith Joseph, Secretary of State for Industry, has confirmed the appointment of Mr Eric Sharp as chairman of Cable and Wireless.

Car output down

United Kingdom car output in the four weeks to August 23 was estimated to be 42,000 compared with 44,000 a year earlier. Production for the first eight months was 366,000, a fall of 12.2 per cent on the same period of 1979.

Kaiser decision

The board of directors of Kaiser steel are to meet today to decide whether to liquidate the company.

Philippine mix

Filing stations in the Philippine city of Bacolod are to start selling a mixture of petrol and anhydrous alcohol made from sugar cane molasses next week.

Wall Street lower

The Dow Jones Industrial average closed 4.35 down to 948.81. The S&P 500 was 13.22 down. The Nasdaq was 9.54 down.

Bank postpones recall of £500m facility to ease pressure on interest rates

By Melvyn Wesslake

The Bank of England yesterday gave banks another month to repay the £500m that it lent them earlier in the summer in yet another attempt to hold down short-term interest rates.

This move is the latest in a long sequence of such actions stretching back to the beginning of the year, and as with all the others, the latest postponement of the banks' loan repayment is described by the authorities as being intended to "smooth" distortions in the City money market.

The £500m was due to be repaid next Monday. It originally formed part of a £700m Bank of England facility under which gilt-edged stocks were bought from the banking system, with the intention that they should be repurchased later.

Such arrangements increase the bank's liquidity and take pressure off interest rates. Another £750m is also outstanding under a similar arrangement but expires on September 15.

The authorities are thought to be particularly concerned that short-term interest rates do not go above 17 per cent. If they did it becomes more difficult for blue-chip corporate borrowers to take loans from their banks and re-lend the funds to the short-term money markets.

This is known as "round-tripping". Blue-chip companies can borrow at about 1 per cent above the banks' 16 per cent base rate.

It would be viewed as particularly undesirable for blue-chip borrowers to re-lend on the banks' "make-up" day—September 17.

This would inflate bank lending and deposits, and consequently increase the money supply figures. Overnight money rates were about 16 or 16 1/2 per cent yesterday and

How Bank of England tried to keep interest rates down

January 16: Bank of England pumps £1,000m into banking system by releasing special deposits equivalent to 2 per cent of the banks' eligible liabilities. Due for recall on February 8.

February 1: Repayment of £500m of eligible liabilities postponed to April 8. Deferred further to June 16. Cancelled June 8.

March 7: Repayment of other £500m of eligible liabilities postponed to May 14. Cancelled May 14.

February 15: A £500m Bank of England facility to clearing banks through sale and repurchase of gilts. To be recalled March 13.

March 7: Recall deferred to April 14.

April 3: Deferred again to May 19.

May 9: Deferred to June 17. June 5: Recall cancelled.

seven-day loans were just below 17 per cent.

If it were not for persistent "smoothing" operations by the Bank of England, there would almost certainly have been much greater pressure for a rise in the minimum lending rate, the keystone in Britain's interest rate structure.

A rise in interest rates would be welcome to the Government. The already high level of interest rates is straining the finances of many companies, particularly manufacturers, and profits have sunk very low. A rise in the cost of corporate overdrafts would probably force many companies into bankruptcy.

But by holding down interest rates, the Government loses some control over the growth in the money supply, which is important to its policy. In public ministers maintain that the present minimum lending

rate is still appropriate to achieve government policy objectives.

Yet every month this year the Bank of England has taken some action to counter liquidity pressures in the money markets which are officially described as special facilities.

The liquidity pressures have come from a variety of sources. The increase in value-added tax, advance payments of petroleum revenue tax, the advance sale of oil and the backlog of unpaid telephone bills after the strike at the Post Office, have all drained money from the banking system.

Moreover, the Government has issued about £7,400m gross gilt-edged stocks so far this financial year, although two up stocks have not been fully sold. About £2,500m net has been sold to outside banks. This has imposed further liquidity strains on the system.

Manufacturing liquidity declines

By David Blake

Manufacturing industry's liquidity declined to the worst level since the middle of 1975. In the second quarter of the year, according to Department of Industry figures published today.

The figures show that a sharp improvement in the liquidity of non-manufacturing companies improved very sharply, leading to a slight improvement in the overall liquidity position.

The figures show starkly the squeeze which is now operating on manufacturing companies in this sector suffered a fall of £70m in their current assets and an increase of £340m in their liabilities in the second quarter.

The liquidity ratio fell from 64 at the beginning of the quarter to 57 at the end of the quarter. This still leaves manufacturing in better shape than

at the low point of 1974 and 1975, but it seems likely that there has been further deterioration since then.

The figures in the survey are produced by 220 large companies, which may not be representative of industry as a whole.

But the figures do show very clearly the way in which there was substantial borrowing from the banks in the second quarter of the year, something which has also been indicated by money supply figures. Industry has been purchasing a respite from bankruptcy at the price of going further into debt.

That picture does not hold for the non-manufacturing sector, however, which improved its liquidity very sharply. The liquidity ratio went up from 64 per cent at the start of the quarter to 89 per cent at the end. It resulted in an increase in the liquidity ratio from 64

at the start to 89 per cent at the end.

Liquidity ratios, at end of period: continuous series, seasonally adjusted			
	All survey companies	Manufacturing	Non-manufacturing
1st qtr 1979	130	123	145
2nd	139	120	177
3rd	127	106	172
4th	104	112	150
1st qtr 1980	101	88	122
2nd	105	98	121
3rd	84	87	107
4th	79	65	101
1st qtr 1980	88	62	88
2nd	72	55	113

Figures in the table are calculated on a different basis. The liquidity ratio is obtained by expressing current assets as a percentage of current liabilities.

Lloyd's profits reach £131m 'peak'

By Our Financial Staff

Lloyd's of London's global profits rose nearly 8 per cent in the three-year account to the end of 1977, the world's biggest risk taker announced yesterday. But it said that the profits of £131.3m earned on a premium income of £1,896m could be the high point of a cycle which now looked like going downwards.

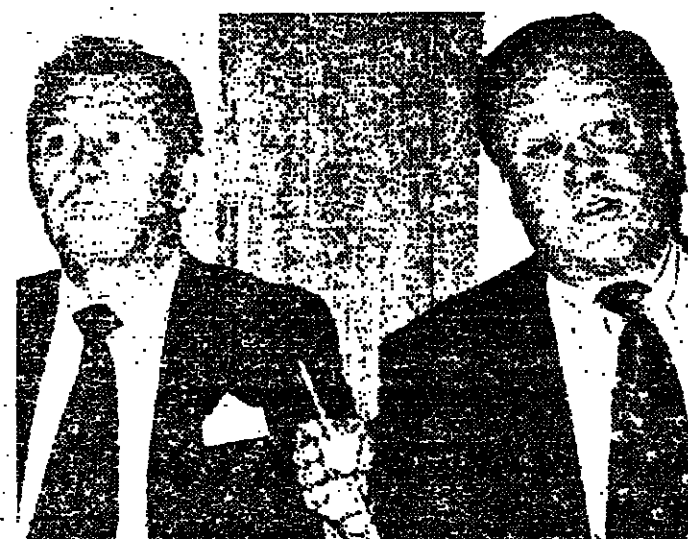
The surplus premium income, over claims, the highest since the record year of 1975, represents a 6.5 per cent return.

The figure for the three years—a period chosen by Lloyd's because it gives a "more accurate picture" of trading—would have more than doubled but for the full provision of computer leasing losses estimated at £340m (£141m). An estimated £71m (£29m) has already been paid out on claims.

Mr Peter Green, Lloyd's chairman, said that many people "with the benefit of hindsight have suggested that this was a class of business underwriters had got badly wrong, and they would not venture to disagree".

Computer leasing comes with the group's non-marine account which reported a better than expected overall profit of 3.3 per cent in the 1977 account. Profits were £30.1m on premium income of £899.5m.

But speaking on the general trends of Lloyd's business, Mr Green added that, although the results of individual syndicates may differ, 1977 could prove the high point in the current cycle as the outlook for 1978



Mr Joseph Hodges (left), secretary general of Lloyd's, and Mr Peter Green, chairman, at yesterday's press conference.

and 1979 appears much less favourable.

Lloyd's is facing increased competition which in some cases has kept premiums below the inflation rate and from overcapacity and an increasing number of names diluting profits.

Lloyd's expects to add a further 1,000 names next year bringing the total to 18,500. In 1977 membership was 10,730.

The London market's marine business, which forms part of its largest single premium income, foresees an overall profit in 1978—although some

syndicates with an emphasis on "hull all risks" have little confidence of a surplus. The 1979 account is expected to show a loss.

Mr Gordon Hutton, chairman of Lloyd's Underwriters' Association, said last year's results would not be helped by the £300m (£125m) settlement at Avondale. Although Hurricanes Frederick and David did not, at first, make serious inroads on the marine account, there were substantial claims settled in the end.

Marine premium income rose from £636m to £695.8m against

claims of £619.4m. Taken with aviation—income £145.5m and claims of £144.3m—the profit for the year was £33.3m.

Compared with 1976, the full account made a smaller contribution to overall profit and marked the first year of deterioration which has led the account into losses in 1978 and 1979.

During the last quarter of 1979, Mr Hutton said, 42 vessels with a known value in excess of £500,000 were lost. For the year as a whole the incidence of 156 total losses is expected to reach a value of about £360m.

Mr Hutton cited two examples of the gradual erosion of the remaining profitable sections of marine underwriting: cargo and the war account, which has suffered serious losses in 1979 and 1980 because of the Iranian crisis. He said the drift account could also be in danger of profits erosion. The major 1980 loss, the sinking of the Alexander L. Kielland in the North Sea, is likely to be substantial.

Against other forecast trends, Lloyd's aviation business for 1978 and 1979 is expected to show a marginal increase over previous years after what was described as the "dismal" picture of the state of the market with a loss ratio for 1977 at 99.18 per cent—the highest percentage for 30 years.

Lloyd's motor premiums are likely to rise by about 10 per cent in two stages next year. The account contributed £5m to overall profits and reinsurance of £5.37 per cent of premiums against 11 per cent in 1976.

Methods of measuring bank capital defined

By Roman Eisenstein

Banking Correspondent

In a further move to implement last year's Banking Act, the Bank of England has issued its first definitive document on banking supervision. The *Measurement of Capital* sets out to define the elements of a bank's balance sheet which constitute its capital base to enable assessment of the level of risks undertaken.

The document departs from an earlier draft on several important matters. The Bank states that capital adequacy differs with each institution and that a flexible approach must be used. It specifically rejects as too inflexible a numerical approach to the needs of all banking institutions.

The banking community had been unhappy with the earlier draft because it treated all banks similarly and took no consideration of their different needs or the nature of their business. The final document has been generally welcomed.

The Bank describes two methods of measuring capital to which the Bank will attach particular importance. One, the gearing ratio, is similar to the traditional free capital ratio, which is effectively the share of capital readily available to

meet contingencies as a proportion of liabilities.

The gearing ratio will be calculated from published balance sheets and is therefore readily available to depositors and other creditors.

The second ratio, the risk asset ratio, had already been introduced for discussion in 1975. This modified version closely resembles methods already in use in some continental countries. While the Bank clearly regards the risk asset ratio as the more useful of the two, it acknowledges that some information will not be available to the public.

Essentially it consists in giving different risk weighting coefficients to assets held by the banks. No weight is attached to assets such as banknotes and balances held by the Bank of England because there is no risk involved. On the other hand unquoted investments carry a 1.5 risk factor, and property a risk coefficient of 2.

The risk asset ratio is then calculated as the ratio of capital over the total of risk assets as weighted by their respective coefficients. The higher the ratio the less risk involved.

The needs of each institution will vary. A clearing bank, for example, will carry a different risk asset ratio from a merchant bank which runs a different type of business.

BP profits suffer in chemicals slump

By Andrew Goodrick-Clarke

Financial Editor

British Petroleum has seen demand for its chemicals and plastics products collapse in the first half of this year. This disclosure is in line with ICI which reported a steep fall in profits last week.

While BP published net income figures of £876m for the first half of 1980 yesterday, compared with £622m in the same period last year, these figures masked a loss of £34m by BP's British chemical business.

The company has already started a redundancy programme in this area. The chemicals sector has been affected by the deep recession, strong sterling, and severe customer destocking caused by high interest rates, BP said.

In BP's chemical and plastics businesses throughout the world, the position is only a little less bleak. A rapid deteriora-

tion in the second quarter of the year led to an overall global loss of £2m in this sector.

This is the first time BP has given chemicals results separately and no comparable figures are available. But the group clearly regards the situation in its main market, caused by vicious competition and aggravated by the lower feedstock prices of American companies, as extremely serious.

BP's Alaskan and North Sea oil operations each increased production. So did its American affiliate, which contributed profit of £231m so far this year, against £150m last year, and its Alaskan output is running 28 per cent higher.

In the North Sea, production from BP's Forties field and its minority interest in Ninian was 11 per cent up in the first half, with results helped in the second quarter by substantial destocking of crude.

Financial Editor, page 17

US plays down EEC yarn boycott

From Frank Vogl

United States Economics Correspondent

Washington, Sept 4

The Carter Administration is striving to play down the potential difficulties for United States-EEC trade relations caused by the decision of the Community's Council of Ministers last week to impose a provisional anti-dumping duty on United States exports of polyester yarn.

At the same time Administration officials are seeking to reassure American manufacturers by stressing that they will continue to press for a negotiated solution to this trade dispute.

There are fears in some quarters that the Carter Administration might retaliate by attempting to block European steel shipments to the United States, but there were indications today that some important progress is being made behind the scenes on the steel front.

The Administration is striv-

ing to reach an overall accord with steel industry leaders and unions over a long-term tripartite plan to strengthen the industry.

Mr Philip Klutznick, the secretary of commerce, said there was always a chance that to withdraw its anti-dumping petition against European and Japanese manufacturers. Mr Klutznick denied that any agreement on these lines had been worked out with US Steel, but he said "We have had some discussions on this".

Mr Robert Hormatz, the United States deputy trade representative, stressed that the administration will carefully examine "the EEC decision and make certain that it is fully consistent with internationally agreed rules".

The trade office issued a diplomatic statement today on the EEC decision which, on the surface, says very little. But informed sources suggested that the mild tone of the statement was a clear message to the EEC that the United States does not

want to see a worsening of trade relations. The statement also suggests the government would not be influenced by the EEC decision in determining current trade cases, such as steel and car imports; and that it was hopeful that the EEC would give support for new multinational agreements on dumping.

Trade officials pointed out that the multinational trade pact agreed under the General Agreement on Trade and Tariffs last year included a revised dumping code. Mr Hormatz said this new code sought to ensure that investigations were held in an open and even handed manner in an attempt to remedy injurious dumping.

Mr Hormatz said the EEC's council decision on Monday was provisional, clearing the way for the United States to continue to discuss the case with the EEC to ensure that the final decision is fully consistent with the internationally recognized rules and justified by the facts.

Changes to scheme for unlisted market

By Our Financial Staff

Proposals for the development of an unlisted securities market for smaller companies, significantly different from those published last December, will go before the Stock Exchange Council on September 16.

The new proposals, drawn up after comment and suggestions from interested parties, envisage allowing a stockbroker sponsoring such a company's shares to act in a dual capacity by making a market in an unlisted security in some cases as well as acting as a broker. In general, the Stock Exchange insists on a division between the functions of market maker and broker.

The proposals are expected to be approved by the Council in two weeks' time and then passed to the Council for the Securities Industry.

The original idea of adding a third tier between the Rule 144(2) market and a full listing—a nursery market from which companies would progress to a full listing—has been abandoned.

Instead, the new proposals favour curtailing the Rule 144(2) market and introducing an unlisted securities market with no requirement that com-

panies should move up eventually to a full quotation.

In contrast to the original proposals, listed companies would also be allowed to move down to the unlisted market with shareholder approval.

In response to criticism that the level of regulation intended was too high, entry requirements to the unlisted market have been toned down.

Only a tenth of the equity instead of 15 per cent would have to be in public hands and no formal accountants report would be needed.

However, although entry requirements to the new market are less stringent than under the original discussion document, companies would have to sign a general undertaking which would be substantially the same as the listing agreement. The main difference would relate to acquisition and disposal of shares.

The Stock Exchange, which is due to defend its single capacity system before the Restrictive Practices Court, proposed allowing stockbrokers to make a market in an unlisted security if two jobbers are unwilling to do so. Under rule 8(1) similar permission can already be given for listed securities.

BNOC overseas plans

By Our Correspondent

France and Dubai are the two areas overseas in which the British National Oil Corporation is planning offshore oil activities, Mr David Howell, Secretary of State for Energy, revealed in Glasgow yesterday.

A BNOC spokesman said later that until more details of the negotiations were known, it could not give details.

Mr Howell said that as far as Britain's oil programme was concerned, the North Sea was one of the most productive areas in the world.

ADVERTISMENT
ALLNATT LONDON
PROPERTIES LIMITED
ANOTHER SUCCESSFUL YEAR

The 18th annual general meeting of Allnatt London Properties Limited was held on 4th September, 1980, in London, Mr L. H. Smith, Chairman and Managing Director, presiding.

Shareholders will appreciate my pleasure in reporting that the Company has enjoyed another successful year, and that the forecasts I made in my last Statement were, to say the least, conservative.

Rents receivable during the year were a little short of £6m, and interest on cash deposits was again higher than last year by £300,000. At the end of the year the rent roll just exceeded £7m. Profit before tax was over £5m, and the reserves are now over £5m.

I think, however, it is prudent to say that increases in the rent roll can be misleading. Whether a new development is completed and becomes producing shortly, before or after a year-end there is an effect on the results of two financial years. A rent review on a high earning property will increase the rent roll, not only in the year in which it occurs, but in succeeding years as well, although it will only affect the percentage uplift in the year in which the review is operative. A similar situation arises with first lettings.

The final dividend proposed is 3.2p per share which, with the interim dividend of 0.5p per share already paid, makes a total of 3.7p, an increase of nearly 15% on the equivalent for last year.

Prospects
The immediate prospects for the nation's industry generally can now only be considered gloomily but I believe, and earnestly hope, that our present government is, at last, pursuing the policies which have been desired for too many years.

Shareholders will no doubt have noticed the conflicting opinion recently expressed about the outlook for the property sector. In this, I remain an optimist.

The amount of development which the Company has in progress continues to be satisfactory. It is, however, a sad reflection on the times that, in the short term, the Company could earn more for its shareholders by placing surplus funds on deposit than by using them for further developments. The Company's function, however, is not that of a bank and it will continue to use its resources to add to its permanent assets.

The recent minimal reduction in lending rates is a welcome step in the right direction.

Forecasts
The outlook for the Company continues satisfactorily and I anticipate that for the year to 31st March, 1981—
(a) Rents receivable will be about £5m
(b) The rent roll will approach £8m at the year end
(c) Interest received will be down by more than £200,000
(d) Before tax profit will exceed £5m
(e) Retained profit will be about £1m
The Report and Accounts were adopted.

PRICE CHANGES

Rises			
Aerona 1 & Gen	42p to 45p	LU Int	85p to 86p
Graham & Miller	2p to 2 1/2p	Marshall Unit	35p to 35 1/2p
CSR Ltd	2p to 2 1/2p	Municipal	35p to 35 1/2p
Gencon	2p to 2 1/2p	Ogilvy & M	21 to 21 1/2
Global Nat Res	45p to 45 1/2p	Rouledge & K	10p to 10 1/2p

Falls			
UK Lendal Israel	2p to 7p	Petaling Tin	10p to 10 1/2p
Barker & Dobson	1p to 10p	Spezzini Geors	1p to 1 1/2p
NET PM	5p to 14 1/2p	Western Mining	14p to 25 1/2p
Jordan's Son	6p to 17 1/2p	Wollock Mar	6p to 7 1/2p
Orlex Grp	7p to 10 1/2p	Wills Faber	7p to 23 1/2p

THE POUND

	Bank buys	Bank sells		Bank buys	Bank sells
Australia \$	1.12	2.25	Norway Kr	11.96	11.96
Austria Sch	31.45	29.75	Portugal Esc	123.00	115.00
Belgium Fr	20.25	66.75	South Africa R	2.30	2.15
Canada \$	12.83	12.83	Spain Ptas	178.00	170.50
Denmark Kr	13.65	12.08	Sweden Kr	10.31	9.85
Finland Mk	9.10	8.70	Switzerland Fr	4.06	3.85
France Fr	10.25	9.30	USA \$	2.47	2.40
Germany DM	4.61	4.21	Yugoslavia Dnr	74.50	70.00
Greece Dr	108.50	98.50			
Hongkong \$	12.25	11.65	Notes, for small denominations, are noted in, as supplied		
Ireland P	1.76	1.72	Bankers' Bank International		
Italy Lira	216.00	200.00	Different rates apply to travelers' checks and other foreign business		
Japan Yen	245.00	235.00			
Netherlands Gld	4.80	4.58			



Somalia pays tribute to UK builders

Dr Ali Khalif Galaydh, the Somali minister of industry, has praised British experts who designed and built Somalia's largest single industrial development, the new Juba river sugar project at Mareerey in the southern part of the country.

He was speaking at the inauguration of the project yesterday, with representatives from Abu Dhabi and Saudi Arabia, who have provided most of the finance for the \$188m (£78m) project.

Booker Agriculture International, a subsidiary of the British company, Booker McConnell, designed and built the project, and remain as its managing agents. Machinery was supplied by Wimpey and by Mowlem.

Swedish borrowing

Sweden is approaching the limit of what a single country can borrow on international capital markets, the parliament's finance committee said. Commercial bankers said the country had a 780m kronor (£78m) net currency outflow in the last two weeks of August, bringing total net outflows so far this year to around 15,750m kronor.

Canadian surplus

Canada's \$351m (£126m) in July from a downward revised Can\$854m surplus in June and compared with a Can\$100m surplus in July last year, Statistics Canada said.

Japanese save more

The Bank of Japan said that the outstanding balance of personal savings in the country totalled about 279,034,000 yen (£53,250m) at the end of June, up 12.2 per cent from a year before.

Mission to China

A Japanese association designed to promote trade with China plans to send a mission to Peking next week for talks with Chinese leaders.

Community oil prices

Imported oil prices in the European Community stood unchanged on August 25 for the ninth week in a row, the EEC Commission reported.

Money from oil producers eases problems of current account deficit

Petrodollars flowing into Japan

The flow of petrodollars into Tokyo, mainly from the Middle East, is helping Japan to pay its oil bill and cover its current account deficit which last year was \$13,000m.

Of the \$2,500m overall surplus registered for August, it is estimated that more than \$1,000m is for oil-based resources and of this between \$600m and \$800m is believed to have been invested in securities.

This is more than double the previous highest surplus balance registered in July and equals the surplus balance recorded in 1969.

Purchases in August were concentrated on shares of main Japanese companies such as Hitachi, Toshiba and Nippon Steel. The main buyers were Kuwait, Saudi Arabia and the United Arab Emirates.

In the bond market the surplus balance on foreign purchases in August was estimated at \$500m of which 60 per cent is believed to have originated from oil-producing countries, especially those in the Middle East.

The "free yen" accounts, of which 50 per cent is believed to be petrodollars, are just as active. The net increase in August was estimated at \$800m compared with the \$600m net growth registered in July.

Apart from transactions by securities companies and the Bank of Japan foreign exchange banks have been selling a lot of bonds to oil-producing countries.

About 100,000 yen (£190m) worth of national bonds, held by banks, have been sold to these countries between June and August. These banks are said to include the Bank of Tokyo, the long-term credit Bank of Japan and the Sumitomo Bank.

It is estimated that the 100,000 yen worth of sales was about 20 per cent of the total bonds sold to these countries during the same period. Sales through securities companies were about 60 per cent and the Bank of Japan sold the remaining 20 per cent.

Since April foreign purchases of public bonds have left surplus balances of more than 100,000 yen each month. In July, the surplus balance was estimated at

170,000 yen of which two thirds was bought by oil-producing countries.

The foreign share in the 132,000,000 yen bond market at the end of 1979 was between 5 and 6 per cent.

The total of oil money resources in Japan is estimated at \$10,000m which is less than 10 per cent of the total world surplus of petrodollars.

Bank deposits account for 45 per cent of the Japanese petrodollars, 20 per cent in securities markets, 15 per cent in bond market and the rest in real estate and other areas. About 156 million shares were believed to be held by oil-producing countries at the end of 1979.

But observers doubt how long the high value of petrodollars will last in view of the vulnerability of the economy. In 1979 oil consumption had to be cut by 20 million tons or 7 per cent. Three quarters of this oil was available from the very countries which have poured petrodollar resources into Japan.

Koji Nakamura
in Tokyo

More Lucas staff face redundancy

By Our Industrial Staff

More redundancies and short time working are on the way at Lucas Industries. Lucas Girling, one of the United Kingdom's major brake manufacturers, is discussing production cutbacks with shop stewards which could lead to a combination of redundancies and short-time for many of its 7,600 employees.

A second subsidiary, Lucas CAV, Europe's leading diesel pump and injector supplier, is introducing a three-day week from Monday for 850 of the 1,600 employed at its Finchley, North London, plant.

Three months ago Lucas announced 3,000 redundancies in its car electronics factories. Some 2,500 of these have already been shed as a result of natural wastage and voluntary redundancy.

Last night a Lucas Girling spokesman said the company had no alternative but to reduce activity levels in all its United Kingdom manufacturing establishments.

A further 150 workers are being made redundant by the Perkins Diesel Engine Company at Peterborough. The cutback will involve administrative staff from all departments and comes six weeks after the company announced that 900 production workers are to lose their jobs.

Caplin Engineering Limited, of Ipswich, a silicon chip machine sales company yesterday sacked its entire work force of 40. Mr Brian Robertson, the managing director, explained: "Sales have dropped to zero because of the world-wide business recession and high exchange rate of the pound."

UK campaign grows against EEC plan for worker directors

By Patricia Tisdall
Management Correspondent

Fresh evidence that a British employers' campaign against EEC proposals for worker directors is gathering momentum emerged at a conference given by the Institute of Directors yesterday.

The reaction of top company chairmen to an institute document on the EEC Fifth Directive shows strong support for the campaign. Five of the 10 largest companies have confirmed their opposition to legislation implementing the draft directive, and at least a dozen of the chairmen of other big companies listed in *The Times* Top 100 have indicated that they too share the institute's concern.

Mr Walter Goldsmith, the institute's director general, accused the EEC Commission yesterday of "attempting to smuggle worker director and works council proposals through the EEC system in a directive dealing with technical aspects of company law".

He called on the British Government and British members of the European Parliament to press for the withdrawal of the proposals. If necessary, he said the legality of the Commission's plans should be referred to the European Court.

The institute, which has been expressing anxiety about the implications of the directive for

some time, was joined last month by the Confederation of British Industry.

The CBI supports the European Parliament lobby, led by Mr Amédée Turner, the vice chairman of the legal affairs committee of the European Parliament to dilute the original plan to compel companies to appoint worker directors.

The Institute of Directors, however, also rejects the compromise known as the "German draft" produced by Mr Turner's committee which is expected to go before the European Parliament within the next few months.

This offers four options to countries which do not wish to impose two-tier boards on companies. The directors believe that voluntary consultation and participation by employees is best for British companies. They say that worker participation must evolve from a sound shopfloor base to be effective.

The institute rejects the British option of a compulsory works council and a single-tier board which is contained in the revised directive on the grounds that it would establish an adversarial system.

"It opens the door to formalized strife and conflict in every public company, with key decisions on the company's future being considered by rival bodies," Mr Goldsmith said.

Revlon and Shulton assure OFT on prices

By Derek Harris
Commercial Editor

Revlon International Corporation and Shulton (Great Britain), both "cosmetic" subsidiaries of United States-based companies, yesterday gave assurances to the Office of Fair Trading that they would not establish minimum prices for the retailing of their products in Britain. This means that, as a condition of supplying their products, neither will insist on minimum price levels to prevent price-cutting below such levels.

The move, under legislation governing resale price maintenance, is being regarded as a warning shot over cosmetics suppliers and manufacturers in Britain which have been attracting increasing criticism from some multiple retailers and particularly discount outlets for refusal to supply them.

Cosmetics manufacturers, particularly the French perfume houses, have been highly selective in the range of outlets used and retail mark-ups are said to have been ranging from at least 50 per cent to more usually 100 per cent and more.

Mr Tom McAuliffe, chief executive of Argos, the catalogue discount showroom chain that is part of B&W, said last night he was writing to Revlon asking them to supply a range of their goods for the Argos catalogue next February.

Mr Michael Hollingsbery, chairman of the Consumer Affairs Committee, said he was "considering very carefully" whether to ask particularly Revlon for supplies for Comet's James McOmney outlets whose range of goods includes cosmetics.

It remains to be seen whether supplies will be forthcoming because the resale price maintenance legislation does not cover that point.

Mr Gordon Barrie, Director General of Fair Trading, is conducting an investigation into TI Raleigh Industries, the cycle makers whose criteria for deciding to supply cycles to retail outlets are under scrutiny. If Mr Barrie refers the case to the Monopolies and Mergers Commission it is expected to be the first test case under the Government's new legislation over a manufacturer's refusal to supply cut-price outlets.

Mr Barrie's investigation teams have been looking closely at cosmetics, sugar and R would be open to him to investigate a single company on the pattern of the cycle investigation or to refer the whole sector for investigations by the Monopolies Commission.

LETTERS TO THE EDITOR

Administration of Southwark fund

From Mr. Andrew Smith

Sir, I have been reading with interest the correspondence from Lord Seabrook and Mr. Eckerley (August 13 and 22). Not only have I recently started a small business in Southwark, but also I applied in the process to the Southwark Fund.

My experience in this leads me to completely endorse Mr. Eckerley's comments about the inadequacy of Southwark in administering both its industrial fund and its general rating policy. Although we rent a new industrial unit from the council, our rent is not as high as nearly 80 per cent of our rent - damping, by any standards.

Our application to the fund was drawn out over six months, and in addition to an exceptional amount of four times being demanded the preparation of our presentation, the council retained the services of Price Waterhouse as advisers. These eminent management consultants spent two weeks in the preparation of their report, at presumably a very great cost, as any of their own clients would know, to either them or the council.

In spite of this no hint of the eventual failure of our application was given until the eve of the committee meeting. Then, "Hanson" officer, after nearly a year of "liaison", then told me that my application did not stand a chance.

My subsequent complaint to Southwark has yet to be answered.

But the main point is not whether the bureaucracies of Southwark can do the job, but what are the alternatives? If, as I have said, the council's approach to our Southwark application was as good as a fair representation of the facts should also have been reported.

I am a full time chairman and chief executive of Web Lawrence Limited.

I have been a non-executive chairman of Movitec as a result of the company's takeover since November 19 and have worked very hard for hours as well as weekends in order to save the company.

I have neither claimed nor received one penny for my services throughout the whole of that period.

To be accurate, I was playing golf in Bath as a guest of the Knightsbridge Housing Corporation with Walter Lawrence Limited, a business deal, and it was an invitation issued in August of last year.

Yours truly,
JOHN REDGRAVE
Chairman and Chief Executive
Walter Lawrence Limited,
Lawrence House,
Sun Street,
Southwark,
London SE16.

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Unit 6,
Dorset Road Industrial Estate,
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Chairman's contribution at Movitec

From Mr. J. A. B. Redgrave

Sir, I refer to your article regarding Movitec in *Business News* (September 3) which, add large, is a fair representation of fact. I would, however, draw your attention to a statement that the chairman was unavailable for comment as he was playing golf. I think it fair that following facts should also have been reported:

1. I am a full time chairman and chief executive of Web Lawrence Limited.

2. I have been a non-executive chairman of Movitec as a result of the company's takeover since November 19 and have worked very hard for hours as well as weekends in order to save the company.

3. I have neither claimed nor received one penny for my services throughout the whole of that period.

4. To be accurate, I was playing golf in Bath as a guest of the Knightsbridge Housing Corporation with Walter Lawrence Limited, a business deal, and it was an invitation issued in August of last year.

Yours truly,
JOHN REDGRAVE
Chairman and Chief Executive
Walter Lawrence Limited,
Lawrence House,
Sun Street,
Southwark,
London SE16.

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BY THE FINANCIAL EDITOR

BP struggles behind the scenes

Not for the first time, the stock market was thrown into turmoil following publication of a set of quarterly figures from British Petroleum. There had been broad expectations of a decline in the second quarter of below the £300m mark. When BP turned in historic cost net income of £37m, 54 per cent up on the same quarter last year though 261 per cent below the first quarter of 1980, buyers came in for the shares.

By the end of the day however that enthusiasm was proved wrong, stripping out beneficial distortions shows that the second quarter was added back and that, as the recession worsens, causing serious damage to BP downstream profits, trading will get worse as the year progresses.

By the end of trading then BP's shares were 4p off at 348p and unlikely to find much favour this side of the Opec meeting later this month when a Saudi decision to bring prices into line at \$32 per barrel would make BP's crude from Alaska and the North Sea that much more competitive.

As ever, the distortions which helped the second quarter are difficult to identify accurately, but the sums are large. In the North Sea, for example, production is slightly down against the first quarter, but sales, reflecting very heavy de-stocking of crude after the first quarter, are sharply up to judge by a substantially higher petroleum revenue tax charge.

In turn, though, the United Kingdom Corporation Tax charge, which might have been expected to have been £100m higher, is only £40m more. In addition there have been huge currency distortions. While there were losses in net income terms over the half-year of £57m on the sterling/dollar translation, the second quarter may have benefited to some £50m.

Clawed back, unrealised currency losses made provided earlier in the year by its European associates.

These, and the last tranche (for the moment anyway) of stock profit amounting to £170m, are factors which will not be available for the remainder of the year.

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Costain's interim figures show how it is going through a period of consolidation and diversification during which profits and dividends will grow only slowly, if at all. Interim pretax profits are £15.2m compared with £12.2m last year. But if last year's property sales, which brought £1.95m, are included, the underlying position is much the same, with general trading bringing in £15.3m compared with £15.2m.

The order book seems to be holding up well; the current total of £190m is almost identical with six months ago. But its composition is changing, with a higher proportion coming from shorter-term work such as sub-contracting on natural gas installations in the Middle East and the United States.

But as the group's interests expand, the latest development being the bid for County and District Properties, the order book becomes a less precise measure of Costain's condition. At the moment, for example, it includes the long-term contracts for the sale of Australian coal to Japan, and the scaffolding business. With more than £70m in net cash available, Costain will in two or three years also have a sizeable stake in other parts of the energy sector.

However, shareholders will have to be patient. The dividend has been held at 5.7p, and the final will probably be 7.14p, again the same as last year. On a share price of 182, down 4p yesterday, the prospective yield is 3.9 per cent.

Cadbury Schweppes

Much depends on Christmas

Cadbury Schweppes interim profits were, rather better at £1m pretax than the market had expected. But last year's 8.7 per cent decline in the United Kingdom confectionery market, de-stocking by retailers, in the first six months of 1980, and shrinking United States margins on confectionery.

Help came in the first half from good drinks sales, but the cooler summer bodes ill for sales of Schweppes over here and in Europe. The normally important fourth quarter will be crucial to this year, but this Christmas will not know just how good its sales will be. The group's interim profits were, rather better at £1m pretax than the market had expected. But last year's 8.7 per cent decline in the United Kingdom confectionery market, de-stocking by retailers, in the first six months of 1980, and shrinking United States margins on confectionery.

There is little prospect of an improvement in the confectionery market here for the moment, but Cadbury has kept its market share up. In the United States, Peter Paul Cadbury are not put up prices until market giants Mars and Hershey do; and margins have now been under mounting pressure for 18 months, although the company has pushed up its sales volume.

North American trading profits were halved to £0.9m, after knocking out £600,000 of royalties that have expired since mid-1979. But the group says it now has a sound base in North America in confectionery and drinks.

United Kingdom trading profits rose 11 per cent to £17.2m, out of a £29.2m total. Other overseas operations improved their contributions. Meanwhile, Cadbury Schweppes remains committed to its long-term plans for automation, and to intensive marketing expenditure. Interim borrowings are 10 per cent up on their mid-1979 level, and at the year-end will be above the end-1979 net figure of £112m. Interest costs were 29 per cent higher at £11.1m. The group plans to spend some £125m on automation of United Kingdom confectionery manufacturing alone over five years, at the cost of 3,000-5,000 jobs.

Clearly, the full year results depend heavily on Christmas drinks sales in the United Kingdom. But the market was encouraged by the interim figures, and pushed the shares up 31p to 651p where they look sound enough, and where a maintained dividend would yield 8.4 per cent—the interim rate of 26 per cent is to even out the size of payments across the year. Last year's £57.3m pretax profit can be repeated, the fully taxed p/e ratio comes out at 91.

Charterhouse

Fundamental changes

So much has happened at the Charterhouse Group since the interim results were struck at June 30 that the figures are of historical interest. Never the less, they give some clues to the second half.

The first point to note is that the two-thirds improvement in pre-tax profits to £7.56m before the contribution from Charterhouse, Japhet, the accepting house part of the group, comes mainly from oil-related interests.

These produced more than threefold improved profits from £1.4m to £4.5m. The only other part of the group to show an improvement before taking the bank into account, is the manufacturing division which consists of a string of companies in which the group has a greater or lesser share.

Manufacturing profits are up by 50 per cent to £3.9m and in spite of the recession should show some further improvement in the second half.

The second half, insurance broking is slightly down at £1.1m though up on the second half of last year while Development capital is marginally down, too.

The bank which had a £3m capital injection last December has doubled its profits to £1.1m on the back of successful bullion dealing and good corporate finance fees. This year after the absorption of Keyser Ullmann it will be a transformed animal.

Last year's KU made £4m and this year will contribute for five months to Charterhouse results. On the assumption that KU contributes, say, £3m the bank should make net profits of between £4m and £5m.

Half of the oil interests have been sold to the public for £28m which are being ploughed back into the oil company. Glanville, the insurance-broking company, has been sold for £11.7m so only interest on that sum will be accruing to Charterhouse.

This suggests a fully taxed p/e ratio of nearly 13 with the price at 97p. How the shares go from now on will depend how fast and how well Charterhouse digests Keyser.

One way of increasing the aerodynamic efficiency of an aeroplane is to increase the wing span. This has the effect of reducing the drag, the extra structure means extra cost. And the wing structure must not only be strengthened at the tip; it must be strengthened at

the root because of the increased loads there. Lockheed adopted active aileron controls for the Tristar 500 in order to gain the benefits of the longer span without the extra weight of a heavier structure at the root. The ailerons are movable control surfaces on the trailing edges near each wingtip which are used for roll control.

When the pilot moves the control column to one side one aileron moves up and the other moves down, causing the aircraft to roll to one side (coupled with rudder movement, this gives a coordinated turn).

Of the various loads and stresses experienced by an aircraft in flight (and on which its structural design is based) the most severe are the unexpected gusts which hit the machine so suddenly that the pilot—or the autopilot—has no time to react by adjusting the controls.

The structure has to be strong enough to absorb these gusts. The longer span wing would normally impose higher gust loads on the wing root structure.

Lockheed avoided the need to strengthen the structure (and incur a weight penalty) by arranging that both ailerons should move upwards immediately a gust is sensed. The effect of this is to reduce the lift over those outer parts of the wing, and so relieve the wing-flexing loads on the root.

Thus the extended span wing bestows the desired efficiency, contributing to fuel conservation, while the active ailerons alleviate the effect of gusts, so minimizing the weight penalty.

Lockheed sees this as the first of a series of active control systems which could be used on a wing of the larger strength than would otherwise be needed and the lower strength loads resulting from large gusts are alleviated. This is based on sound principles, but how do you prove that it is safe?

In the United States the Federal Aviation Administration has already certificated the Tristar 500, British Airways' aircraft, from an early batch which have yet to be modified to incorporate the active controls, are still in the process of being certificated by the CAA.

Much can be done to confirm the airworthiness of the system by calculations and by flight testing. The system can be shown to respond as it is designed to respond. But do these responses actually relieve the load in detail, as predicted? This is the key question.

A full immediate answer would depend on a more detailed knowledge of the atmosphere than is available at present.

To build up a complete picture, the CAA will continue after certification to monitor the operation of the Tristar 500 in service with British Airways. The authority does this already, with other BA and British Caledonian aircraft in a general way, involving regular computer analysis of the information held on special flight recorders carried on board the aircraft.

In this curious, painstaking way, a new realm of aircraft control and design is beginning to be explored. The Tristar 500 may well be followed by active control versions of the European Airbus and the British Aerospace One-Eleven. In all, dual steps, the size and weight of aircraft to carry a given commercial payload is likely to be reduced.

Kenneth Owen

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There has also been no reduction in the size of the roving customs staff who are not tied to the declaration desks at Heathrow.

How union disarray strengthens M Barre's hand

Paris, Sept 4

It threatens to be a long hot winter in France if the country's largest and best organized union is to be believed. British holidaymakers left turning at Channel ports have been no more than a forest of the types of action the Communist Confederation Generale de Travail (CGT) says it is planning in the months that lead up to the presidential elections next April and May.

The union's argument is that any government is more vulnerable in the months that lead up to an election so that now is the time to strike—so to speak—while the iron hand of an austere minded administration is relaxing its tight grip on the economy.

The first sign of that relaxation has just come from the government with the announcement by M Raymond Barre, the Prime Minister, that he is arranging special payments for poor families, the homeless and pensioners, while granting aid and tax incentives for investment and export industries.

They are not expensive concessions, however, and they in no way constitute a deviation from the plan laid down by M Barre when he was made Prime Minister four years ago. He is keeping his firm control on money supply; he is offering no extra money for the many lame ducks in France; he is offering farmers nothing more

than a continuing stable income. As for the 130 franc (£15) one-off payment he is offering pensioners in November and the 370 franc payment for each child in a poor family to buy school books, the sums are compared with the French cost of living, little short of desecration. They are clearly nothing more than electioneering.

It is therefore interesting to find that the initial response of the Communist Party has been favourable—although with a twist. The main story in the party's newspaper, *L'Humanite*, would seem to be quite satisfied—or rather self-satisfied—with the newly announced bonuses. "A thousand million seized by the struggle," screams the headline.

The clue to the story is that *L'Humanite* is so anxious to pass M Barre's measures off as an early victory for the trade union movement. The CGT's urgent need is to try to ensure that union militants are prepared to carry on, or more accurately, start agitating throughout the months to come.

Although it is only partial, this success shows once more that action pays off," the paper says. The question posed by that comment is: "What action has been taking place?" The answer is: "Precious little."

The fishermen's strike is a good case in point. It began as a dispute involving only the

unionized Boulogne fishermen, but that action attracted little attention. In fact the Boulogne fishermen are not even on strike. They are locked out in that they are not being allowed to put to sea by the fleet owners unless they agree to crew reductions.

The blockade of the ports, which grabbed the public's and the Government's attention, was not mounted by the unionized fishermen but by the small boat-owners, trawlermen, for the most part non-unionized, who were making use of the Boulogne dispute to add weight to their own worries about the future.

This provides the key to the CGT-suggested long hot winter to come. It is not the unions who threaten the industrial peace of France, but the state of the economy and the growing militancy of the self-employed and the white collar workers. Discipline and organization inside the French unions is not high and their power tends to lie in the ability to argue politically rather than in their undoubted ability to stage massive one day demonstrations.

The state of the French economy, compared with the time when M Barre took over four years ago, is not particularly good. The latest figures show that inflation is now at 13.7 per cent; unemployment is up 8 per cent to 1,331,000; and



M Raymond Barre: "No reason to believe there will be a long hot winter of industrial trouble."

there was a July balance of trade deficit of 5,000m francs (£500m). If those figures look good from the British side of the Channel it is only because they are comparatively good compared to Britain. The French government, as it prepares for the presidential elections, must be far from pleased about them.

The one thing it can be pleased about, however, is the continuing and even growing discord between the Communist CGT and its only serious rival, the Socialist Confederation

Francaise Democratique du Travail (CFDT). The CFDT, which is increasingly attracting members by its militancy, is nevertheless fiercely opposed to the close political links between the CGT and the Communist Party.

The result is that while the CGT is being used by the Communist Party to stage strikes and demonstrations to discredit the Government, the CFDT tends to pick its fight when it believes it has economic reason to do so. Thus the CFDT led the way into the fishermen's dispute and when non-union members went conciliatory from the Government, the union prepared to end its strike. At the same time the CGT, having seen how much the strike upset the Government, was reluctant to end the dispute even when it knew its members in the industry had nothing more to gain.

M Barre said confidently today that he just did not believe that there would be a long hot winter of industrial disputes. For just so long as the Government union movement being at loggerheads with itself he can be sure of that. And the one thing reliable about the trade union movement in France is its time-honoured ability to be at loggerheads.

Ian Murray

Should the training boards be scrapped?

Patricia Tisdall

Do industrial training boards have a useful function? Many employers believe they do not. It is likely, the Government implements the recommendations made by the Manpower Services Commission a month and shifts all the costs on to industry, it seems inevitable that some, if not all the boards will go. This is because industrialists will be unwilling to foot extra costs which this year would have amounted to about £51m.

At first sight it looks as though few mourners. Industrialists have always hated paying the compulsory levy with which the boards spread the costs of training. More fundamental is the deep rooted suspicion among employers of the aims and motivation of the boards, which are run by committees consisting of employee representatives and educationists as well as employers. Their role is to meet all types of trainings needs in the industry.

The partnership has never run smoothly. All sides expressed dissatisfaction with the boards in representations to the review committee which produced the commission recommendations. The unions want information on training provided by companies to the boards to be made freely available to trade union work-

place representatives. They also suggest that the boards should establish statutory training committees at plant level.

The TUC would also like a return to the pre-1973 system, under which all employers paid a levy but some got a refund in the form of a grant.

Educationalists are upset because they believe that they are junior partners on the boards. They also said that the board's industrial focus had hindered much needed cooperation with local education authorities.

It can be argued that the boards' strategic function in relating training to economic needs and developments in technology has been suggested by the Manpower Services Commission, which has gradually been increasing its involvement in these areas. The 1973 Training Act, which inserted the commission as the controlling authority between the boards and the Department of Employment, also brought direct changes to their responsibilities and funding.

The changes added friction to the already abrasive relationships between the boards and industrialists. From the outset, commission policies—such as vocational preparation for young people in employment

and increased emphasis on the training needs of women—were mainly social in motivation.

Secondly, from 1975 when the 1973 Act arrangements came into full effect, the financial position of the boards was very different from that which had applied under the 1964 Act which created them. The requirement for the boards to exempt from paying a levy companies whose internal training arrangements were considered satisfactory has meant a steady decline in income from industry and a proportionate increase in state subsidy. All the boards are now wholly or partly dependent on Exchequer funds for their operating costs.

Last year tension between the boards, the Manpower Services Commission and employers reached near crisis point, when training programmes which already had been agreed had to be cut in line with the Government's public expenditure reductions. Problems have also been caused by the requirement that the terms of conditions of employment of the boards' staff should have the endorsement of the Department of Employment and the Civil Service Department. The ensuing delays did not help the boards to recruit and keep high calibre employees.

It was the desire to reverse the alarming decline in the relationship between the boards and the Manpower Services Commission which led to the recommendation to shift the operating costs to industry. The intention is that the boards would then be more accountable to the industries they serve and more responsive to their requirements.

The suggestion is likely to appeal to the Government, because it would top £51m off public spending. The Confederation of British Industry, has said, however, that its members would not be willing to pay more for the boards in this period of recession.

A survey of 30 companies by Incomes Data Services found that the majority were dissatisfied. Very few thought that the boards helped their particular business.

The problem is that, inadequate though they may be, there is no obvious alternative to the board's tripartite approach to training. Against all odds, the framework which brings together trade unionists, employers and educationists

has survived for 16 years. Any new bodies would take time to win credibility and influence. There would inevitably be teaching problems and mistakes during a critical period for British industry.

It is difficult, however, to argue a strong case for the boards' retention on the grounds of value for money. In any case, about 45 per cent of employees are outside the training boards. Apart from employees in local and central government and nationalized industries, they include quite large private sector services such as banking and insurance, as well as shipping and hairdressing.

The Department of Employment has called for comments by October 20 on the Manpower Services Commission recommendations and indicated that new training legislation is planned for a recent parliamentary session. But an indication that ministers are already aware of the implications is contained in a remark by Mr James Lester, Under Secretary for Employment, when he said in a recent parliamentary debate that "some boards are doing extremely good work."

We must ensure that we do not lose the baby with the bathwater—if changes are implemented.

Technology

Aircraft design: getting more out of less

A nine-foot increase in wingspan on the Lockheed Tristar airliner hides a significant advance in aviation technology. It marks the debut in commercial service of a new concept in aircraft control which is likely to have a growing impact on aircraft design.

It offers greater efficiency—and hence fuel economy—at the price of discarding some long-held assumptions.

"Active controls" is the name of the new technique. It extends automatic, in-flight control in a subtle way, enabling the design of aircraft to be refined to an extent which was not previously possible using traditional aerodynamics and load analysis.

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Business Diary: Metro's briny launch • Disappearing Customs

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There has also been no reduction in the size of the roving customs staff who are not tied to the declaration desks at Heathrow.

One of the most astonishing sights I have witnessed in recent weeks was that of the solitary customs man posted in the "nothing to declare" section at Gatwick Airport who confronted the couple of hundred passengers, of whom I was one, stepping off a jumbo from Hong Kong.

The poor soul could only watch in despair as the hordes surged past safely, clutching their illicit contraband. The man looked so miserable that I nearly offered him my British bought calculator in consolation.

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FINANCIAL NEWS

BET holds dividend as profits rise by 5pc

By Catherine Gunn
British Electric Traction, the electronics and television group, reported a 5 per cent increase in full-year profits to March 31 at £7.11m pretax after a flat interim performance. The dividend has been maintained at 10.8p.

Part of that rise came from an extra nine and eight months' contributions from Thames Television and Rediffusion Television respectively. The two companies have changed their year ends. March 31 after the acquisition of EMI by Thorn. EMI and BET each own half of Thames and BET's half is held through Rediffusion Television.

The combined contribution from Thames Television and Rediffusion Television was £4.81m over the longer period. On the old year-ends they would have made £3.9m. Thames Television's profits suffered from the 11 week TV strike in 1979. Rediffusion Ltd, 50 per cent held by BET, had a more-or-less static year, so its contribution was flat. But other interests did better.

The Argus Press did particularly well in its year to end-December; but things have got very difficult for the publishing industry since then. Transport interests with a December year-end include the effects of January 1979's road haulage strike.

Interest costs were over two thirds up at £21.5m but borrowings have risen considerably less than that. There was an extra interest cost of £240,000 on 400,000 5 per cent shares in a Phillips Petroleum development consortium in the North Sea, from which there will not be a positive cash flow for some time.

Group sales excluding investment income of £9.4m were up a fifth at £88.7m. Total pre-interest profits were £92.6m against £80.4m in 1978-79. The current year will not be easy, but BET remains confident about its long-term performance.

The deferred ordinary shares fell 8p to 142p yesterday where they yield 7.6 per cent. The p/e ratio on stated earnings is 5.8.

Ladbroke-Reo Stakis

The gaming licence at Ladbroke's Dragonara Casino in Leeds, was transferred to Parnell Ltd, a subsidiary of the Reo Stakis Organisation, at a hearing before the Leeds Licensing Bench yesterday. The Gaming Board had objected to a licence renewal by Ladbroke.

Northern Engineering on course for £26m

By Peter Wainwright

Sales of Northern Engineering Industries rose by 36 per cent to £22.2m in the six months to June 30, enabling pretax profits to rise by 7 per cent to £12.55m. This seems to indicate that the group is still on course for profits of at least £26m for the year, against only £18.1m in 1979.

It is all a far cry from the plunge in profits from £30.5m the year before when the group suffered from losses at Rayrolle in electrical engineering, and from the engineering strike.

But a margin of profit to sales of 4.6 per cent leaves little room for error even though, as Mr Duncan McDonald, the chairman, points out, the latest figures represent a big recovery.

He now reports that in total orders are ahead of those at the end of 1979. There has been a good order intake this year in the mechanical engineering and mining divisions and the export contribution is growing. But in

some heavy electrical sectors demand remains weak.

Overall the group, which will be supplying the boilers for the Heysham and Torness nuclear power stations, is standing up to recession well. The group has important operations



Mr Duncan McDonald, chairman of Northern Engineering Industries.

abroad and their contribution to sales, profits and cash flow has gone up.

The leading overseas offshoot is in South Africa, where booming business is responsible for the explosion in minorities from £53,000 to £903,000 in the latest half year.

Net borrowings are negligible, and it is by no means impossible that profits may beat £26m this year and £28m next.

Northern is recruiting workers in some areas but making them redundant in others. Even so this important North Eastern employer, with 30,000 workers in the United Kingdom, is not contracting.

The shares rose 3 1/2p yesterday to 63 1/2p, a 1980 peak, because the figures came as a relief. The interim dividend is 1.25p net or 1.75p gross again and it is paid from earnings of 5.00p.

On an unchanged dividend the yield is still just over 8 per cent, but the shares have come up from 35p at one time last year.

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Interim profits dip at Morgan Crucible

By Peter Wilson-Smith

Morgan Crucible's pretax profits fell by 6 per cent to £6.5m in the first half of 1980.

In the first quarter, when profits increased by a tenth, Morgan offset higher financial costs with increased trading profits. But in the second quarter trading profits fell and interest charges continued to rise. For the half year net finance charges were three-fifths higher at £1.62m.

Group sales rose from £54.9m to £64.7m, but excluding results from two recent acquisitions, Franklin Oil Corporation and DIA turnover would have been £61.5m and pretax profit £6.73m.

Mr Ian Weston-Smith, the chairman, says that most of the group's United Kingdom customers, particularly steel and consumer durable producers, are having a very difficult time.

However, direct export sales were generally good and, in some markets, excellent. Overseas subsidiaries performed strongly. Together with United Kingdom exports these account for nearly three-fifths of group sales.

The interim dividend has been maintained at 5.43p gross. The chairman says that the second half of the year will bear non-recurring factory relocation costs and closure costs at Lifford. The new United States subsidiary in market special carbon grades will also incur modest start-up costs.

Turnover for the half year to June 6 was £3.8m (£6.3m). Pretax profit was £407,000 (£441,005).

Earnings per share were 1.9p (2p). Interim dividend is 0.99p gross (0.85p gross).

Howard Tenens position strengthened

The chairman of Howard Tenens Services Ltd, E. C. Morris, says in his annual statement that the directors are satisfied that the financial position of the company has been very significantly strengthened and it continues to trade profitably.

However, he said, it would be optimistic to suggest that the profit for the year will exceed that of last year, but the board is confident that as indicated in the rights issue documents, the dividend on the increased capital will be maintained. It is proposed

that the position of managing director of Portals Ltd to concentrate on the activities of the group's paper-making division as a whole as managing director of Portals Papermaking Ltd. Mr J. E. F. Lloyd is now managing director of Portals Ltd.

Mr Christopher K. Foster has been made director and general manager of Monarch Aluminium. Mr William W. Renison has become chairman of James Talbot Factors Inc while Mr Geoffrey F. Bacon and Mr Malcolm J. Smith have joined the board. Mr P. Douglas Campbell has been appointed a director and as chief financial officer will now be based in New York.

Mr John P. Sowden has been appointed a regional director of the central London regional board of Lloyds Bank.

Mr Christopher Burbridge will shortly be joining the Sedgwick Group and will be appointed managing director of Sedgwick

Nationale-Nederlanden up 22 pc

International

Nationale-Nederlanden, the Dutch insurance group, said its first half net profits rose by 22 per cent to F151.7m (£32.8m) from F124.3m a year earlier. The group has declared an interim dividend of F12.90, against F12.80 a year ago.

Group revenues rose by 12.5 per cent to F14,000m. Premium income grew by 12 per cent to F12,990m, while income from investments and other activities advanced by 15 per cent to F191.7m.

Royal Trustco fighting bid

Continued heavy trading of Royal Trustco stock suggests that Canada's largest trust concern may have found a well-heeled ally in its bid to escape a £412m (£154m) takeover by Campeau Corporation.

Royal Trustco directors earlier this week voted unanimously to oppose an offer of C\$21 a share for its common and C\$29.93 for its preferred stock from Campeau, an Ottawa-based real estate development concern.

Trading in Royal Trustco common on the Toronto and Montreal stock exchanges Wed-

nesday totalled nearly 2.1m shares, including a 1.27m share block at C\$21 traded on the Montreal exchange. On Tuesday, 1.7m shares changed hands on the two exchanges, including several blocks that traded above Campeau's C\$21 offer price.

Total volume over the ten days represented about 24 per cent of Royal Trustco's 16m common shares outstanding.

Royal Trustco declined comment on the trading activity, and Campeau sources could not be reached for comment.

Carlton and United cash call

Carlton and United Breweries of Melbourne said it plans to make a one-for-five share issue priced at par.

The issue will raise the issued capital to 123,55m A\$1 ordinary shares from the present 102.66m.

Carlton and United said the A\$20.59m raised by the issue will be used to improve liquid-

ity and provide funds for continued growth and development. Carlton and United said the new shares will not rank for any dividend declared before December 31.

The company yesterday reported net profits of A\$25.6m (£12.4m), against A\$25m for the year to June 30 on turnover up from A\$590m to A\$667m.

non-life sectors, particularly in The Netherlands.

Expenses rose by a little over 10 per cent compared with the revenue increase of 12.5 per cent. On balance, exchange rate fluctuations had little impact on the growth of income or costs, the group said.

Shareholders' funds rose to F113.11 per share this year from F112.33 — adjusted — a year earlier.

In 1979 the group reported net profits of F130.15m.

Alexander's talks

Alexander's said yesterday in New York that it had held preliminary and tentative discussions with representatives of the Amalgamated group about the possible acquisition of certain Amalgamated stocks.

An Alexander's spokesman said the discussions were only of the most preliminary nature.

Beijerinvest downturn

Beijerinvest, the Swedish investment group whose shares were introduced to the London Stock Exchange in June, showed a 20 per cent return on equity in the half year to June 30 against 29 per cent in the year before.

Group income fell from 128m kronor to 134m kronor (£15m). The forecast for the full year is 250m kronor against 416m kronor last year. This latter figure represented a surplus profits compared with 1275.

Straits Trading

Straits Trading Co of Singapore yesterday reported group net profits of S\$5.3m (£1.6m) for the six months to June 30, against S\$3.5m the year before.

Business appointments

New operations director for Unigate Group

Mr C. F. Langdale, former managing director of Unigate Food Division, has been appointed Unigate Group operations director, responsible for the company's United Kingdom based business and French meat interests.

Mr Roger St John-Scymour has been appointed by National Westminster Bank a senior regional manager in the newly formed, City-based, Northern Europe Region, International Banking Division, and Mr Bill Barker has been appointed to a similar position in the new Southern Europe Region.

Mr John R. Webb has become executive vice-president of Eschem Europe Inc. Mr John G. Holloway succeeds Mr Webb as the company's chief vice-president while Mr J. L. Delaney succeeds Mr Holloway as its vice-president.

Mr John Dick has been appointed a non-executive director of Culter Guard Bridge Holdings. Mr W. A. Wood has given up

the position of managing director of Portals Ltd to concentrate on the activities of the group's paper-making division as a whole as managing director of Portals Papermaking Ltd. Mr J. E. F. Lloyd is now managing director of Portals Ltd.

Mr Christopher K. Foster has been made director and general manager of Monarch Aluminium. Mr William W. Renison has become chairman of James Talbot Factors Inc while Mr Geoffrey F. Bacon and Mr Malcolm J. Smith have joined the board. Mr P. Douglas Campbell has been appointed a director and as chief financial officer will now be based in New York.

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Mr Christopher Burbridge will shortly be joining the Sedgwick Group and will be appointed managing director of Sedgwick

Group Underwriting Services and Regis Underwriting Agencies. Mr John Aiken and Mr David Mills have been appointed directors of Racal-Post Security.

Mr P. E. McCoven has become export sales director of Slezenger. Mr T. W. Gottsman has been appointed managing director of Croftex Yarns.

Mr P. M. Morrell and Mr M. W. Eve have been made directors of Jardine Matheson Insurance Brokers.

Mr David D. Seale has been appointed by Technology Transfer Associates as chief executive and Mr Gilbert Hunt has joined the board.

Mr Tor Von Sedow becomes managing director of Swedens and Mr Tim Folkes general manager.

Sir Alan Kerr Rodime has joined Overseas Technical Service International as a non-executive director.

Mr David G. F. Thompson has

been appointed a director of the Woodhouse and Duffell Breweries, responsible for its packaging and wine and spirit operations of the group.

Mr Arnold Brachmann is now president of Tritel Ltd, a wholly-owned subsidiary of Tritel.

Mr Kenneth Durham, the chairman of Unigate, and Mr H. A. Hinchey, recently joined as an executive of the National Association of British Banks, have been appointed part-time board members of British Airways.

Sir William Vincent has been appointed a director of Sava & Trower Investment Management.

Mr G. C. Wilson has joined the Foster & Gamble management committee.

Mr Peter Smith has resigned Amey Gaby & Sons as a director after a two and a half year appointment as adviser director of an associate merchant bank in Malaysia.

Further US link for 600 Group

The 600 Group has purchased or contracted to buy 21.4 per cent of the issued common stock of Clausing Corporation of Oakton, Michigan, a company listed on the American Stock Exchange. The price is £3.7m in cash.

Clausing Corporation and its subsidiaries are in plastics engineering, industrial distribution and process controls businesses.

The 600 Group and Clausing Corporation are already in partnership in the distribution and marketing of machine tools in America.

It is expected that through closer collaboration with Clausing Corporation, substantial benefits will accrue to both parties and that the 600 Group will gain from this additional foothold in the US market.

The book value of the assets at March 31 attributable to the common stock being acquired was approximately £2.6m and the profits before tax attributable for the nine months to March were about £501,000 (equivalent to £668,000 for 12 months).

Midland finds not fully recovered

During the early part of the second half of this year, Midland Industries' order position had not been restored. But the company, with its modern plant, says it has substantially

increased capacity and efficient operation.

Activities of the company are constantly under review. The chairman, his wife and a director have waived £47,000 (£42,000) in the interim period.

Turnover for the half-year to June 30, £13.7m (£10.9m for half year to March 31, 1979). Pretax profit £751,000 (£1m). Interim dividend is 1.57p gross (£1.428p gross).

Difficult trading for Invergordon Distillers

Sales for six months to June 30 of Invergordon Distillers Holdings were £13m (£11.4m). Pretax profits were £2.1m (£1.8). Earnings per share were 9.6p (8.55p). The interim dividend is 2.14p gross (same).

Board states that the current difficult trading conditions will affect the remainder of the year and it is unlikely that the full year's results will maintain the level of increase achieved in the first six months.

L & E optimistic about Newman

Regarding London and European's 20.11 per cent holding in Newman Industries the chairman says that while Newman has its problems, L & E's board believes in the underlying strength of its assets and activities and has confidence

that it can become a profitable long-term investment.

The board is also examining a number of ways to maximize the benefits of the surplus in the property division and the potential increase in liquidity that this may create. Present indications are that results for 1980 will be broadly in line with those of 1979.

Turnover for the half year to June 6 was £3.8m (£6.3m). Pretax profit was £407,000 (£441,005).

Earnings per share were 1.9p (2p). Interim dividend is 0.99p gross (0.85p gross).

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However, he said, it would be optimistic to suggest that the profit for the year will exceed that of last year, but the board is confident that as indicated in the rights issue documents, the dividend on the increased capital will be maintained. It is proposed

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DSM chemicals and plastics

Foreign exchange report

COPPER closed steadier yesterday. Afternoon—Cash wire bars, 58 1/2.

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Small selling

§ Forward bargains are permitted on two previous days

^aCompares the pre-merger figures with each company's capital distribution. ^bEX rights. ^cEX certificate shares. Tax free. ^dPrice adjusted for late dealings. ^eSignificant data.

Motoring

Ford chairman spells out importance of new Escort

When Sir Terence Beckett, chairman of Ford, calls the new Escort "the most important new car in our history" he is talking in a world, rather than a British, age. Austin Allegro is the car that can only be understood by reference to Europe and the United States.

On the Continent the outgoing Escort has been facing increasingly tough competition from technically more advanced and, to be blunt, better cars. By clinging to rear-wheel drive and leaf spring suspension the Escort has fallen well behind such models as the Volkswagen Golf, Renault 14 and Talbot Horizon. Ford has traditionally played safe on engineering, preferring tried and tested designs that saved money and tended to be more reliable. In Britain, where motorists, particularly the fleet customers who account for half of Escort sales, are generally conservative the policy has been brilliantly successful.

But in Europe, with competition fiercer and motorists demanding more of their cars, the Escort has dated rapidly. The new one retains the name but little else. Ford has been forced into front-wheel drive, all-independent suspension and a tailgate by its Continental rivals.

Not the least of these is General Motors, GM, through its Opel and Vauxhall subsidiaries, has also been technically cautious in car designs; so much so that the front-wheel drive Kadett/Astra came as a revelation, ranking with the best Europe has to offer.

In Britain, by contrast, the Escort has continued to sell strongly, apart from the Cortina, the most popular model. The ageing Austin Allegro is the serious home-produced rival for Britain, the new Escort comes as a bonus for Ford rather than a necessity.

The importance of the car for the United States lies in the chilling figures of Japanese imports, which have been taking a quarter and more of American new car registrations this year. They have done so by offering the sort of small, economical models that American manufacturers have hitherto shunned.

Which is why the new Escort will be built not at Halewood and Scartholus but, in a slightly different form with the same basic engineering, in Dearborn, Michigan. In fact, it can claim to be a "world" car, though not Ford's first. That distinction belongs to the Model T which was once assembled, among other places, in Manchester.

In Europe and the United States, it is vital that the Escort should succeed. In Britain its success should, on past form, be guaranteed, the only reservations arising, paradoxically, from the very technical advances that elsewhere will be a main selling point.

British car buyers tend to be suspicious of advanced engineering, fleet managers more than others. When details of the new Escort first began to seep out, one transport manager I know threw up his arms in horror. All he wanted was a no-nonsense workhorse and if Ford were no longer going to make one, where could he go? It is a prejudice that will not be easy to overcome.

The Ford answer is that front-wheel drive, the particular anathema, has got itself a bad name through the unreliability of one or two specific models. The system need not be inherently troublesome, as Ford has demonstrated (it says) on the Fiesta. Indeed, the Fiesta has helped to prepare the ground for the Escort with not insubstantial fleet sales, 25 per cent, of its own.

The other aspect of the new car which might alienate fleet managers is the rear door. A few years ago the versatility of the tailgate and folding rear seat seemed to be taken for granted, especially on a small car where space was at a premium. Models like the Escort were criticized for not having a hatchback version.

But Volkswagen, among others, came to realize that there was still a strong following for the orthodox three-box car with its



Comfort and refinement—the Vauxhall Royale saloon

separate boot. The result was the Derby and, later, the Jeta. The British fleet market has strongly preferred the traditional shape.

The new Opel Kadett hedged its bets by offering both tailgate and conventional boot within the same bodyshell and Ford may have made a mistake on the Escort by not doing the same. Personally I am convinced by the hatchback argument, but I recognize that many motorists are not.

Ford says that the new Escort offers the best of both worlds. The squared-off tail, put in mainly for good aerodynamics, makes the car look like a saloon, while the tailgate is there for added practicality. I understand that the word hatchback will not be overstressed in publicity for the car.

A driving assessment of the new Escort must await its launch

at the end of the month, but it promises much. There is more passenger and boot space (within smaller overall dimensions) than in the previous model and, Ford figures, at least, suggest livelier performance. The independent rear suspension should give a much needed improvement in ride quality.

Fuel economy was not an outstanding feature of the old Escort but provisional test figures show a useful advance, as might be expected from a car that is lighter, aerodynamically more efficient and has the benefit of brand new engines.

Road test: Vauxhall Royale

Not so long ago the best Vauxhall could offer at the top of its range was the Ventura, a

laxly disguised version of the bread and butter Victor with an unpleasant 3.3 litre, six-cylinder engine. Not the most glamorous of flagships, but times have changed and so have the cars and, with the Royale, Vauxhall can stare almost anyone in the face, not excluding Rover, BMW and even Mercedes-Benz.

The initiated will immediately resort that the Royale is not a true Vauxhall, which is so. Except in name, minor exterior trappings and a smaller engine, it is identical to the German Opel Senator, a product of General Motors rationalization. But why not? After all, no one pretends that the Ford Granada is made in Britain, even if it does count as a British car for the purposes of company fleets.

The Royale costs £10,524 and for that an owner must expect much. What he gets is an impressive list of standard equipment, notably automatic transmission (a manual box is available as an option at the same price), power steering, electric windows, central door locking, a sunroof and headlamp wash/wipe. He also gets what is arguably more important, a refined, comfortable and very drivable car.

While the Opel Senator uses a three-litre engine, the Royale has a 2.8 litre "straight six", producing 138 bhp. For the size of car that is adequate enough, though performance is not quite as sharp as that of some competitors. What will matter, to the majority of drivers, however, is that the automatic kick-down gives ample power for overtaking and that at 70 mph the engine can hardly be heard.

Refinement is one of the features of the Royale. The engine is smooth and quiet, under hard driving, and there is little wind noise; perhaps, the ride is not as good as on the big Citroën or Peugeot, but given the tautness of the handling it is far from unacceptable compromise. The seats are well shaped, neither too hard nor too squishy. Above all, the Royale is a driver's car. For a big vehicle the handling is impressively crisp, and the responsive brakes, system, and progressive rack and pinion steering, hold the car steady almost like a horse. Driving enjoyment is enhanced by the General Motors three-speed automatic transmission, one of the best.

A car 16ft long should be able to offer more than 100 cubic interior space. Drivers, certainly, are well catered for, thanks to three-way (height, rake and recline) adjustment of the seat and a tilt-adjustable steering wheel. But what the front seat offers, low and back, rear legroom is somewhat restricted; headroom is good all round. The boot is simply huge.

The question mark against a car like the Royale is not its intrinsic merits but its relevance to the current and future motoring climate. A car that takes up so much space on the road, and the driver's petrol at the rate of 19 to 23 mpg to 25, better, may not see out the 1980s. Better, then, to enjoy the Royale while it is still here, and there is much to enjoy.

Peter Waymark



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Jaguar E Type Roadster

1979, 29,000 miles only, works hard top, chrome wire wheels, p.s.s., manual transmission, radio, cassette, electric windows, power steering, 2000 cc, 160 mph, 0-60 in 10.5 sec, 100 mph in 18.5 sec, 150 mph in 35 sec, 180 mph in 55 sec, 200 mph in 85 sec, 220 mph in 115 sec, 240 mph in 145 sec, 260 mph in 175 sec, 280 mph in 205 sec, 300 mph in 235 sec, 320 mph in 265 sec, 340 mph in 295 sec, 360 mph in 325 sec, 380 mph in 355 sec, 400 mph in 385 sec, 420 mph in 415 sec, 440 mph in 445 sec, 460 mph in 475 sec, 480 mph in 505 sec, 500 mph in 535 sec, 520 mph in 565 sec, 540 mph in 595 sec, 560 mph in 625 sec, 580 mph in 655 sec, 600 mph in 685 sec, 620 mph in 715 sec, 640 mph in 745 sec, 660 mph in 775 sec, 680 mph in 805 sec, 700 mph in 835 sec, 720 mph in 865 sec, 740 mph in 895 sec, 760 mph in 925 sec, 780 mph in 955 sec, 800 mph in 985 sec, 820 mph in 1015 sec, 840 mph in 1045 sec, 860 mph in 1075 sec, 880 mph in 1105 sec, 900 mph in 1135 sec, 920 mph in 1165 sec, 940 mph in 1195 sec, 960 mph in 1225 sec, 980 mph in 1255 sec, 1000 mph in 1285 sec, 1020 mph in 1315 sec, 1040 mph in 1345 sec, 1060 mph in 1375 sec, 1080 mph in 1405 sec, 1100 mph in 1435 sec, 1120 mph in 1465 sec, 1140 mph in 1495 sec, 1160 mph in 1525 sec, 1180 mph in 1555 sec, 1200 mph in 1585 sec, 1220 mph in 1615 sec, 1240 mph in 1645 sec, 1260 mph in 1675 sec, 1280 mph in 1705 sec, 1300 mph in 1735 sec, 1320 mph in 1765 sec, 1340 mph in 1795 sec, 1360 mph in 1825 sec, 1380 mph in 1855 sec, 1400 mph in 1885 sec, 1420 mph in 1915 sec, 1440 mph in 1945 sec, 1460 mph in 1975 sec, 1480 mph in 2005 sec, 1500 mph in 2035 sec, 1520 mph in 2065 sec, 1540 mph in 2095 sec, 1560 mph in 2125 sec, 1580 mph in 2155 sec, 1600 mph in 2185 sec, 1620 mph in 2215 sec, 1640 mph in 2245 sec, 1660 mph in 2275 sec, 1680 mph in 2305 sec, 1700 mph in 2335 sec, 1720 mph in 2365 sec, 1740 mph in 2395 sec, 1760 mph in 2425 sec, 1780 mph in 2455 sec, 1800 mph in 2485 sec, 1820 mph in 2515 sec, 1840 mph in 2545 sec, 1860 mph in 2575 sec, 1880 mph in 2605 sec, 1900 mph in 2635 sec, 1920 mph in 2665 sec, 1940 mph in 2695 sec, 1960 mph in 2725 sec, 1980 mph in 2755 sec, 2000 mph in 2785 sec, 2020 mph in 2815 sec, 2040 mph in 2845 sec, 2060 mph in 2875 sec, 2080 mph in 2905 sec, 2100 mph in 2935 sec, 2120 mph in 2965 sec, 2140 mph in 2995 sec, 2160 mph in 3025 sec, 2180 mph in 3055 sec, 2200 mph in 3085 sec, 2220 mph in 3115 sec, 2240 mph in 3145 sec, 2260 mph in 3175 sec, 2280 mph in 3205 sec, 2300 mph in 3235 sec, 2320 mph in 3265 sec, 2340 mph in 3295 sec, 2360 mph in 3325 sec, 2380 mph in 3355 sec, 2400 mph in 3385 sec, 2420 mph in 3415 sec, 2440 mph in 3445 sec, 2460 mph in 3475 sec, 2480 mph in 3505 sec, 2500 mph in 3535 sec, 2520 mph in 3565 sec, 2540 mph in 3595 sec, 2560 mph in 3625 sec, 2580 mph in 3655 sec, 2600 mph in 3685 sec, 2620 mph in 3715 sec, 2640 mph in 3745 sec, 2660 mph in 3775 sec, 2680 mph in 3805 sec, 2700 mph in 3835 sec, 2720 mph in 3865 sec, 2740 mph in 3895 sec, 2760 mph in 3925 sec, 2780 mph in 3955 sec, 2800 mph in 3985 sec, 2820 mph in 4015 sec, 2840 mph in 4045 sec, 2860 mph in 4075 sec, 2880 mph in 4105 sec, 2900 mph in 4135 sec, 2920 mph in 4165 sec, 2940 mph in 4195 sec, 2960 mph in 4225 sec, 2980 mph in 4255 sec, 3000 mph in 4285 sec, 3020 mph in 4315 sec, 3040 mph in 4345 sec, 3060 mph in 4375 sec, 3080 mph in 4405 sec, 3100 mph in 4435 sec, 3120 mph in 4465 sec, 3140 mph in 4495 sec, 3160 mph in 4525 sec, 3180 mph in 4555 sec, 3200 mph in 4585 sec, 3220 mph in 4615 sec, 3240 mph in 4645 sec, 3260 mph in 4675 sec, 3280 mph in 4705 sec, 3300 mph in 4735 sec, 3320 mph in 4765 sec, 3340 mph in 4795 sec, 3360 mph in 4825 sec, 3380 mph in 4855 sec, 3400 mph in 4885 sec, 3420 mph in 4915 sec, 3440 mph in 4945 sec, 3460 mph in 4975 sec, 3480 mph in 5005 sec, 3500 mph in 5035 sec, 3520 mph in 5065 sec, 3540 mph in 5095 sec, 3560 mph in 5125 sec, 3580 mph in 5155 sec, 3600 mph in 5185 sec, 3620 mph in 5215 sec, 3640 mph in 5245 sec, 3660 mph in 5275 sec, 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in 6655 sec, 4600 mph in 6685 sec, 4620 mph in 6715 sec, 4640 mph in 6745 sec, 4660 mph in 6775 sec, 4680 mph in 6805 sec, 4700 mph in 6835 sec, 4720 mph in 6865 sec, 4740 mph in 6895 sec, 4760 mph in 6925 sec, 4780 mph in 6955 sec, 4800 mph in 6985 sec, 4820 mph in 7015 sec, 4840 mph in 7045 sec, 4860 mph in 7075 sec, 4880 mph in 7105 sec, 4900 mph in 7135 sec, 4920 mph in 7165 sec, 4940 mph in 7195 sec, 4960 mph in 7225 sec, 4980 mph in 7255 sec, 5000 mph in 7285 sec, 5020 mph in 7315 sec, 5040 mph in 7345 sec, 5060 mph in 7375 sec, 5080 mph in 7405 sec, 5100 mph in 7435 sec, 5120 mph in 7465 sec, 5140 mph in 7495 sec, 5160 mph in 7525 sec, 5180 mph in 7555 sec, 5200 mph in 7585 sec, 5220 mph in 7615 sec, 5240 mph in 7645 sec, 5260 mph in 7675 sec, 5280 mph in 7705 sec, 5300 mph in 7735 sec, 5320 mph in 7765 sec, 5340 mph in 7795 sec, 5360 mph in 7825 sec, 5380 mph in 7855 sec, 5400 mph in 7885 sec, 5420 mph in 7915 sec, 5440 mph in 7945 sec, 5460 mph in 7975 sec, 5480 mph in 8005 sec, 5500 mph in 8035 sec, 5520 mph in 8065 sec, 5540 mph in 8095 sec, 5560 mph in 8125 sec, 5580 mph in 8155 sec, 5600 mph in 8185 sec, 5620 mph in 8215 sec, 5640 mph in 8245 sec, 5660 mph in 8275 sec, 5680 mph in 8305 sec, 5700 mph in 8335 sec, 5720 mph in 8365 sec, 5740 mph in 8395 sec, 5760 mph in 8425 sec, 5780 mph in 8455 sec, 5800 mph in 8485 sec, 5820 mph in 8515 sec, 5840 mph in 8545 sec, 5860 mph in 8575 sec, 5880 mph in 8605 sec, 5900 mph in 8635 sec, 5920 mph in 8665 sec, 5940 mph in 8695 sec, 5960 mph in 8725 sec, 5980 mph in 8755 sec, 6000 mph in 8785 sec, 6020 mph in 8815 sec, 6040 mph in 8845 sec, 6060 mph in 8875 sec, 6080 mph in 8905 sec, 6100 mph in 8935 sec, 6120 mph in 8965 sec, 6140 mph in 8995 sec, 6160 mph in 9025 sec, 6180 mph in 9055 sec, 6200 mph in 9085 sec, 6220 mph in 9115 sec, 6240 mph in 9145 sec, 6260 mph in 9175 sec, 6280 mph in 9205 sec, 6300 mph in 9235 sec, 6320 mph in 9265 sec, 6340 mph in 9295 sec, 6360 mph in 9325 sec, 6380 mph in 9355 sec, 6400 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8160 mph in 12025 sec, 8180 mph in 12055 sec, 8200 mph in 12085 sec, 8220 mph in 12115 sec, 8240 mph in 12145 sec, 8260 mph in 12175 sec, 8280 mph in 12205 sec, 8300 mph in 12235 sec, 8320 mph in 12265 sec, 8340 mph in 12295 sec, 8360 mph in 12325 sec, 8380 mph in 12355 sec, 8400 mph in 12385 sec, 8420 mph in 12415 sec, 8440 mph in 12445 sec, 8460 mph in 12475 sec, 8480 mph in 12505 sec, 8500 mph in 12535 sec, 8520 mph in 12565 sec, 8540 mph in 12595 sec, 8560 mph in 12625 sec, 8580 mph in 12655 sec, 8600 mph in 12685 sec, 8620 mph in 12715 sec, 8640 mph in 12745 sec, 8660 mph in 12775 sec, 8680 mph in 12805 sec, 8700 mph in 12835 sec, 8720 mph in 12865 sec, 8740 mph in 12895 sec, 8760 mph in 12925 sec, 8780 mph in 12955 sec, 8800 mph in 12985 sec, 8820 mph in 13015 sec, 8840 mph in 13045 sec, 8860 mph in 13075 sec, 8880 mph in 13105 sec, 8900 mph in 13135 sec, 8920 mph in 13165 sec, 8940 mph in 13195 sec, 8960 mph in 13225 sec, 8980 mph in 13255 sec, 9000 mph in 13285 sec, 9020 mph in 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9900 mph in 14635 sec, 9920 mph in 14665 sec, 9940 mph in 14695 sec, 9960 mph in 14725 sec, 9980 mph in 14755 sec, 10000 mph in 14785 sec.

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2 directors' cars to be sold, with immaculate condition, MOT, service history, air conditioning, stereo radio, 1000 cc, 160 mph, 0-60 in 10.5 sec, 100 mph in 18.5 sec, 150 mph in 35 sec, 180 mph in 55 sec, 200 mph in 85 sec, 220 mph in 115 sec, 240 mph in 145 sec, 260 mph in 175 sec, 280 mph in 205 sec, 300 mph in 235 sec, 320 mph in 265 sec, 340 mph in 295 sec, 360 mph in 325 sec, 380 mph in 355 sec, 400 mph in 385 sec, 420 mph in 415 sec, 440 mph in 445 sec, 460 mph in 475 sec, 480 mph in 505 sec, 500 mph in 535 sec, 520 mph in 565 sec, 540 mph in 595 sec, 560 mph in 625 sec, 580 mph in 655 sec, 600 mph in 685 sec, 620 mph in 715 sec, 640 mph in 745 sec, 660 mph in 775 sec, 680 mph in 805 sec, 700 mph in 835 sec, 720 mph in 865 sec, 740 mph in 895 sec, 760 mph in 925 sec, 780 mph in 955 sec, 800 mph in 985 sec, 820 mph in 1015 sec, 840 mph in 1045 sec, 860 mph in 1075 sec, 880 mph in 1105 sec, 900 mph in 1135 sec, 920 mph in 1165 sec, 940 mph in 1195 sec, 960 mph in 1225 sec, 980 mph in 1255 sec, 1000 mph in 1285 sec, 1020 mph in 1315 sec, 1040 mph in 1345 sec, 1060 mph in 1375 sec, 1080 mph in 1405 sec, 1100 mph in 1435 sec, 1120 mph in 1465 sec, 1140 mph in 1495 sec, 1160 mph in 1525 sec, 1180 mph in 1555 sec, 1200 mph in 1585 sec, 1220 mph in 1615 sec, 1240 mph in 1645 sec, 1260 mph in 1675 sec, 1280 mph in 1705 sec, 1300 mph in 1735 sec, 1320 mph in 1765 sec, 1340 mph in 1795 sec, 1360 mph in 1825 sec, 1380 mph in 1855 sec, 1400 mph in 1885 sec, 1420 mph in 1915 sec, 1440 mph in 1945 sec, 1460 mph in 1975 sec, 1480 mph in 2005 sec, 1500 mph in 2035 sec, 1520 mph in 2065 sec, 1540 mph in 2095 sec, 1560 mph in 2125 sec, 1580 mph in 2155 sec, 1600 mph in 2185 sec, 1620 mph in 2215 sec, 1640 mph in 2245 sec, 1660 mph in 2275 sec, 1680 mph in 2305 sec, 1700 mph in 2335 sec, 1720 mph in 2365 sec, 1740 mph in 2395 sec, 1760 mph in 2425 sec, 1780 mph in 2455 sec, 1800 mph in 2485 sec, 1820 mph in 2515 sec, 1840 mph in 2545 sec, 1860 mph in 2575 sec, 1880 mph in 2605 sec, 1900 mph in 2635 sec, 1920 mph in 2665 sec, 1940 mph in 2695 sec, 1960 mph in 2725 sec, 1980 mph in 2755 sec, 2000 mph in 2785 sec, 2020 mph in 2815 sec, 2040 mph in 2845 sec, 2060 mph in 2875 sec, 2080 mph in 2905 sec, 2100 mph in 2935 sec, 2120 mph in 2965 sec, 2140 mph in 2995 sec, 2160 mph in 3025 sec, 2180 mph in 3055 sec, 2200 mph in 3085 sec, 2220 mph in 3115 sec, 2240 mph in 3145 sec, 2260 mph in 3175 sec, 2280 mph in 3205 sec, 2300 mph in 3235 sec, 2320 mph in 3265 sec, 2340 mph in 3295 sec, 2360 mph in 3325 sec, 2380 mph in 3355 sec, 2400 mph in 3385 sec, 2420 mph in 3415 sec, 2440 mph in 3445 sec, 2460 mph in 3475 sec, 2480 mph in 3505 sec, 2500 mph in 3535 sec, 2520 mph in 3565 sec, 2540 mph in 3595 sec, 2560 mph in 3625 sec, 2580 mph in 36

PERSONAL CHOICE

Broadcasting Guide

Edited by Peter Dear

TELEVISION

BBC 1

5.40 am Open University: Planning for Disaster. 7.45 Engineering Vibrations. 7.50 Fast Reactor Fuel Reprocessing. Closes down at 7.55. 1.30 pm Red: The tale of the cake and the cake narrated by John Le Mesurier and Maggie Henderson. 1.45 News. 2.00 Closes down.

3.40 Deedee's Cane: A programme of which the first episode, 4.20 Play of the Week, was shown on BBC 2. 4.45 Rufford Films and Dinky Dog: Cartoons (r). 5.05 All Our Own Work: Professional performers Magnus Carter, Tim Thomas and the first in a series of plays about musical material as the reggae band, Dynamic, from the Archbishop Michael Ramsey School, Cambridge. 5.35 Paddington (r). 5.40 News with Ian Leeming. 5.55 Nationwide: News and features from around the country presented by Frank Bough, Sue Lawley, Richard Kay, John Scully and Sue Cook. 6.45 Sportsworld: A review of the week-end's sport introduced by Desmond Lynam.

7.00 It's a Knockout: Celine Dion, the 17-year-old Canadian, is Britain's hopes in this fourth year of the international obstacle competition designed, it seems, to

BBC 2

6.40 am Open University: Language Opportunities. 7.45 Rivers. 7.50 Recycling. Domestic Refuse. Closes down at 7.55. 11.30 Play School: Sheila Archer's King's Ransom. It is the story today and the presenters are Sheelagh Gilbey and Stuart McGugan.

11.35 Trades Union Congress 1980: Live coverage of the final session of this year's conference. Reporting from Brighton are Vincent Hanna and Scott Scanlon. Closes down at 12.30 pm.

4.50 Open University: Albert Creech's Atom Bomb of Songs on the Moon. 5.40 Air Pollution Dispersion. 6.05 Genes and Development. 6.30 Against the Public Interest. 6.55 Gardener's World: We visit, in the company of Geoffrey Smith and Clay Jones, the garden of Mr

and Mrs Norman Sharp, winners of the Garden of the Year award sponsored by Cardea News. 7.20 News with sub-titled synopsis for the hard-of-hearing. 7.25 Film: Midwinter Lace (1969) with Rex Harrison and Doris Day. Rex Harrison is very good and Doris Day is, well, Doris Day. In this rather about the wife of a rich financier who supports her life is threatened but cannot cope. 9.20 Play: Weekend starring Kenneth Haig and Ann Firbank. The first in a repeat showing of plays directed by newcomers to television. The play is set in a south coast seaside hotel in winter and the principals are a burnt-out actress and a young man. The director is John Burrow.

9.50 Ronnie Prophet Entertains: This is the first of four programmes by the overnight star of

the 1977 Wembley Festival of Country Music. A Canadian, he is seen entertaining United States airmen at the Phoenix Club, RAF Bentwaters, in Suffolk. 10.30 Leap in the Dark: Watching Me, Watching You, by Fay Weldon. The second of seven plays in this series about the connection between two rooms in different houses that seem to

have a common link. 11.30 Film: The Outsider (1951). A true story starring Tony Curtis and the Pima Indian hero of the film, Jim in 1945 who returns home to find that he cannot cope with hero worship. Programme ends at 1.20 am.

Regions

1.10 Variations: Cymru Wales. 1.15 News. 1.20 News. 1.25 News. 1.30 News. 1.35 News. 1.40 News. 1.45 News. 1.50 News. 1.55 News. 2.00 News. 2.05 News. 2.10 News. 2.15 News. 2.20 News. 2.25 News. 2.30 News. 2.35 News. 2.40 News. 2.45 News. 2.50 News. 2.55 News. 3.00 News. 3.05 News. 3.10 News. 3.15 News. 3.20 News. 3.25 News. 3.30 News. 3.35 News. 3.40 News. 3.45 News. 3.50 News. 3.55 News. 4.00 News. 4.05 News. 4.10 News. 4.15 News. 4.20 News. 4.25 News. 4.30 News. 4.35 News. 4.40 News. 4.45 News. 4.50 News. 4.55 News. 5.00 News. 5.05 News. 5.10 News. 5.15 News. 5.20 News. 5.25 News. 5.30 News. 5.35 News. 5.40 News. 5.45 News. 5.50 News. 5.55 News. 6.00 News. 6.05 News. 6.10 News. 6.15 News. 6.20 News. 6.25 News. 6.30 News. 6.35 News. 6.40 News. 6.45 News. 6.50 News. 6.55 News. 7.00 News. 7.05 News. 7.10 News. 7.15 News. 7.20 News. 7.25 News. 7.30 News. 7.35 News. 7.40 News. 7.45 News. 7.50 News. 7.55 News. 8.00 News. 8.05 News. 8.10 News. 8.15 News. 8.20 News. 8.25 News. 8.30 News. 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